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Q3

2026 THIRD QUARTER REPORT

Sherritt International Corporation

For the three and nine months ended September 30, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2026

This Management's Discussion and Analysis ("MD&A") is intended to help the reader understand Sherritt International Corporation's operations, financial performance and the present and future business environment. This MD&A, which has been prepared as of November 13, 2026, should be read in conjunction with Sherritt's condensed consolidated financial statements for the three and nine months ended September 30, 2026, Sherritt's audited consolidated financial statements and the MD&A for the year ended December 31, 2025. Additional information related to the Corporation, including the Corporation's Annual Information Form, is available on SEDAR+ at www.sedarplus.ca or on the Corporation's website at www.sherritt.com.

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

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

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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.

The Corporation's Power division, through its ownership in Energas, processes 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".

Sherritt manages its metals, power, and oil and gas operations through different legal structures including 100%-owned subsidiaries, joint arrangements and production-sharing contracts. With the exception of the Moa Joint Venture, which Sherritt operates jointly with its partner, Sherritt is the operator of these assets, subject to the suspension of direct participation in its Moa and Energas joint venture activities in Cuba described below.

On May 7, 2026, following the U.S. administration's issuance of Executive Order 14404 expanding sanctions against persons and companies conducting business in Cuba, Sherritt suspended its direct participation in both its Moa and Energas joint venture activities in Cuba.

The relationship for accounting purposes that Sherritt has with these operations and the economic interest recognized in the Corporation's financial statements are as follows:

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

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

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

The Corporation's reportable segments are as follows:

Metals: Includes the Corporation's:

Moa JV:	50% interest in the Moa JV;
Fort Site:	100% interest in the utility and fertilizer operations in Fort Saskatchewan;
Metals Marketing:	100% interests in subsidiaries established to buy, market and sell certain of the Moa JV's nickel and cobalt production and the Corporation's cobalt inventories received under the Cobalt Swap agreement.

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

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

Corporate and Other: Head office, joint venture management, business development, cash and debt management, government relations and growth and market development activities.

Operating and financial results presented in this MD&A for reportable segments can be reconciled to note 5 of the condensed consolidated financial statements for the three and nine months ended September 30, 2026.

NON-GAAP AND OTHER FINANCIAL MEASURES

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

Management uses these measures to monitor the financial performance of the Corporation and its operating divisions and believes these measures enable investors and analysts to compare the Corporation’s financial performance with its competitors and/or evaluate the results of its underlying business. These measures are intended to provide additional information, not to replace IFRS® Accounting Standards measures, and do not have a standard definition under IFRS Accounting Standards and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS Accounting Standards. As these measures do not have a standardized meaning, they may not be comparable to similar measures provided by other companies. Further information on the composition and usefulness of each non-GAAP and other financial measure, including reconciliation to their most directly comparable IFRS Accounting Standards measures, is included in the Non-GAAP and other financial measures section starting on page 34.

Highlights

2026 RESULTS AND SELECTED DEVELOPMENTS[1]

Summary of recent developments

On May 7, 2026, following the U.S. administration's issuance of Executive Order 14404 expanding 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.

Mining and processing operations ceased at the end of Q2 2026 as a result of fuel supply disruptions in Cuba and the inability to procure other input commodities and supplies. Feed inventory at the refinery in Fort Saskatchewan, Alberta was depleted on June 22, 2026 and the production of finished nickel and cobalt stopped. The Corporation continued to produce fertilizers and sulphuric acid for sale at Fort Site and fertilizers at the Moa Joint Venture during the third quarter. The Corporation currently anticipates for the Fort Site to continue to produce ammonia fertilizer and sulphuric acid, but to stop production of ammonium sulphate fertilizers at Fort Site and the Moa Joint Venture during the fourth quarter.

Energas, which processes domestically sourced raw natural gas to generate electricity, was not affected by fuel supply constraints to Cuba and its operations continued during the third quarter of 2026.

On October 19, 2026, Sherritt received a specific license (the "Fuel License") from the United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") authorizing the purchase and delivery of fuel, fuel oil, and sulphur to Sherritt's Moa Nickel mining and processing operations in Cuba ("Moa Nickel"), which form part of the Moa Joint Venture ("Moa JV"), as well as the procurement of related ancillary services. The Fuel License is the first of a series of anticipated OFAC emergency licenses that will be necessary for Sherritt to be able to restart mining and processing operations at Moa Nickel as well as further refining operations in Canada. There is no guarantee that OFAC will issue any further such anticipated licenses.

In early November 2026, the Corporation temporarily laid off approximately 280 employees, representing 47% of the Canadian workforce, for an approximate 90-day period beginning November 16, 2026 as part of ongoing measures to preserve liquidity.

Operational performance

- **Finished nickel and cobalt production** for the nine months ended September 30, 2026 was 3,204 tonnes of nickel and 348 tonnes of cobalt[1] (Sherritt's share[1]). There was no production of finished nickel and cobalt during Q3 2026 as the inventory of mixed sulphides was depleted on June 22, 2026.
- **Finished nickel and cobalt sales** in Q3 2026 were 160 tonnes and 4 tonnes, respectively[1]. For the nine months ended September 30, 2026 sales were 4,124 tonnes and 374 tonnes, respectively[1].
- **Fertilizer sales** were 38,847 tonnes[1] as initiatives to maximize fertilizer production were prioritized. For the nine months ended September 30, 2026 sales were 118,547 tonnes[1].
- **Electricity production** was 169 GWh in Q3 2026 and 585 GWh for the nine months ended September 30, 2026. 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**[3] was $14.43/MWh in Q3 2026 and $14.90/MWh for the nine months ended September 30, 2026.

Financial performance

- **Net loss from continuing operations** was $79.3 million, or $(0.11) per share in Q3 2026 and $159.6 million, or $(0.25) per share for the nine months ended September 30, 2026.

- **Adjusted net loss from continuing operations**[3] was $50.9 million or $(0.07) per share in Q3 2026 and $87.6 million or $(0.14) per share for the nine months ended September 30, 2026. For the three months ended September 30, 2026, adjusted net loss from continuing operations primarily excludes a $26.8 million non-cash net loss on revaluation of the GNC[3] receivable and Energas payable pursuant to the Cobalt Swap agreement[4]. For the nine months ended September 30, 2026, adjusted net loss from continuing operations primarily excludes a $43.1 million loss from operations at Oil and Gas primarily due to a $35.5 million non-cash loss on revaluation of the environmental rehabilitation provision for legacy Oil and Gas assets in Spain. In addition, a $21.0 million non-cash net loss was also excluded on revaluation of the GNC[3] receivable and Energas payable pursuant to the Cobalt Swap agreement[4]. Adjusted net loss from continuing operations for the three months ended September 30, 2025 primarily excludes $3.6 million of termination benefits (Sherritt's share) related to the workforce reduction. Adjusted net loss from continuing operations for the nine months ended September 30, 2025 primarily excludes a $32.4 million gain on Debt and Equity Transactions, net of transaction costs[5].
- **Adjusted EBITDA**[3] was $(30.2) million in Q3 2026 and $(24.6) million for the nine months ended September 30, 2026.
- **Available liquidity in Canada** as of September 30, 2026 was $42.4 million.

Organizational updates

- 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 September 30, 2026, the borrowing base of the Credit Facility was $21.9 million, which was below the then aggregate borrowings of $59.7 million including outstanding letters of credit, resulting in a borrowing base deficiency of $37.8 million. The lenders issued a notice of excess borrowing and required repayment of the deficiency amount. The Corporation did not make the required repayment and as a result, an event of default occurred, for which the lenders have not issued a notice of acceleration of the debt.
  - During the three months ended September 30, 2026, the Corporation was not in compliance with the EBITDA-to-Interest Expense and Senior Secured Net Debt-to-EBITDA covenants, as defined in the Credit Facility agreement, which resulted in events of default during the three months ended September 30, 2026, for which the lenders have not issued notices of events of default.
  - The Corporation does not have the ability to make further draws on the Credit Facility at this time.
  - Refer to the Capital resources section of this MD&A for further details.

DEVELOPMENTS SUBSEQUENT TO THE QUARTER

- In respect of the Corporation's Credit Facility:
  - The Corporation repaid $7.8 million on the Credit Facility.
  - As of November 13, 2026, the administrative agent under the Credit Facility has not issued a notice of acceleration of the debt. An acceleration of the indebtedness owing under the Credit Facility and/or the expiry of the 30-day cure period in respect of the October 30, 2026 missed interest payment on the Amended Senior Secured Notes would permit the holders of at least 25% of the outstanding principal amount of the Amended Senior Secured Notes of the Corporation to also declare all of the Corporation's Amended Senior Secured Notes to be due and payable. Enforcement rights by the noteholders are subject to a 180-day standstill period, as provided in the inter-creditor agreement, and further subject to limitation if the Credit Facility lenders have already commenced enforcement action against all or a material portion of the collateral.
- On October 19, 2026, the Corporation received the Fuel License from the United States Department of the Treasury's OFAC authorizing the purchase and delivery of fuel, fuel oil, and sulphur to Sherritt's Moa Nickel mining and processing operations in Cuba, which form part of the Moa JV, as well as the procurement of ancillary services. The Fuel License is the first of a series of anticipated OFAC emergency licenses that will be necessary for Sherritt to be able to restart mining and processing operations at Moa Nickel as well as further refining operations in Canada.

The Fuel License authorizes the sale, transportation, export, delivery and payment for fuel, fuel oil, and sulphur to Moa Nickel, together with all related services. The authorization extends to the Corporation's licensed fuel supplier and persons acting on their behalf (including banks and vessel operators), as well as other necessary insurance or ancillary service providers (the "Covered Participants").

In connection with the Fuel License, Sherritt entered into an interim consent agreement dated as of September 23, 2026 (the "Agreement") with Moa Bay Mining Co. ("Moa Bay"), the holder of a certified claim relating to Moa Nickel under Title III of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 (the "Helms-Burton Act"). Under the Agreement, Moa Bay consented to interim fuel shipments to Moa Nickel in exchange for consent fees payable by or on behalf of Sherritt. As part of the Agreement, Moa Bay also agreed not to bring any Helms-Burton Act claims against the Covered Participants in connection with those authorized shipments. Sherritt and Moa Bay also obtained, concurrently with the Fuel License issued on October 19, 2026, separate OFAC authorization required for performance under the Agreement in the form of an additional OFAC license authorizing execution and performance of the interim consent agreement.

The actual restart of operations at Moa Nickel remains subject to receipt of a second OFAC emergency license, which the Corporation is working to obtain with the continued support of and in close coordination with U.S. investment firm Gillon Capital, LLC ("Gillon Capital").

- On October 30, 2026, the Corporation did not pay interest of $11.5 million on the Amended Senior Secured Notes that was due and payable. Overdue interest bears interest at a rate of 9.25%. Under the terms of the Amended Senior Secured Notes indenture, failure to make a scheduled interest payment results in a continuing event of default if the interest payment remains unpaid for 30 days after the due date. Upon the occurrence of such an event of default, noteholders representing at least 25% of the outstanding principal amount of the Amended Senior Secured Notes may direct the trustee to declare the notes immediately due and payable or noteholders themselves may issue a notice to the Corporation. In addition, the trustee may exercise enforcement rights, including rights against pledged collateral. Enforcement rights by noteholders are subject to a 180-day standstill period, as provided in the inter-creditor agreement, and further subject to limitation if the Credit Facility lenders have already commenced enforcement action against all or a material portion of the collateral.
- Following the cessation of mining and refining activities at the Moa JV in late June 2026 as a result of the Executive Order, in early November 2026, the Corporation temporarily laid off approximately 280 employees, representing 47% of the Canadian workforce, for an approximate 90-day period beginning November 16, 2026 as part of ongoing measures to preserve liquidity. Separately, the Corporation announced that its Chief Human Resources Officer has departed Sherritt to pursue another opportunity. To ensure continuity, Sherritt's Vice President, Human Resources, who has been with the Corporation for 14 years, has assumed oversight of the human resources function.

(1) References to operational and financial metrics in this MD&A, unless otherwise indicated, are to "Sherritt's share" which is consistent with the Corporation's definition of reportable segments for financial statement purposes. Sherritt's share of "Metals" includes the Corporation's 50% interest in the Moa JV, its 100% interest in the utility and fertilizer operations in Fort Saskatchewan ("Fort Site") and its 100% interests in subsidiaries ("Metals Marketing") established to buy, market and sell certain of Moa JV's nickel and cobalt production and the Corporation's cobalt inventory received under the Cobalt Swap agreement. Sherritt's share of Power includes the Corporation's 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 and other financial measures. For additional information, see the Non-GAAP and other financial measures section.

(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.

Financial results

$ millions, except as otherwise noted	For the three months ended 2026 September 30	2025 September 30	Change	For the nine months ended 2026 September 30	2025 September 30	Change
FINANCIAL HIGHLIGHTS						
Revenue	**$ 39.7**	$ 39.7	-	**$ 133.0**	$ 121.8	9%
Combined revenue[1]	**54.1**	108.4	(50%)	**292.8**	369.7	(21%)
Loss from operations and joint venture	**(41.3)**	(12.6)	(228%)	**(106.1)**	(63.8)	(66%)
Net loss from continuing operations	**(79.3)**	(19.5)	(307%)	**(159.6)**	(49.7)	(221%)
Loss from discontinued operations, net of tax	**-**	-	-	**-**	(0.2)	100%
Net loss for the period	**(79.3)**	(19.5)	(307%)	**(159.6)**	(49.9)	(220%)
Adjusted net loss from continuing operations[1]	**(50.9)**	(15.5)	(228%)	**(87.6)**	(63.3)	(38%)
Adjusted EBITDA[1]	**(30.2)**	1.6	nm[2]	**(24.6)**	8.6	(386%)
Net loss from continuing operations ($ per share) (basic and diluted)	**$ (0.11)**	$ (0.04)	(175%)	**$ (0.25)**	$ (0.11)	(127%)
Net loss ($ per share) (basic and diluted)	**(0.11)**	(0.04)	(175%)	**(0.25)**	(0.11)	(127%)
Adjusted net loss from continuing operations[1] ($ per share)	**(0.07)**	(0.03)	(133%)	**(0.14)**	(0.14)	-
Cash provided by continuing operations for operating activities	**(19.9)**	2.5	nm[2]	**5.9**	9.1	(35%)
Combined free cash flow[1]	**(16.2)**	(24.0)	nm[2]	**14.1**	(27.8)	151%
OPERATIONAL DATA						
COMBINED SPENDING ON CAPITAL[1]	**$ 1.0**	$ 14.6	(93%)	**$ 8.5**	$ 45.8	(81%)
PRODUCTION VOLUMES						
Mixed sulphides (MSP) (50% basis, tonnes)[2]	**73**	3,720	(98%)	**2,818**	10,115	(72%)
Finished nickel (50% basis, tonnes)	**-**	2,426	(100%)	**3,204**	8,804	(64%)
Finished cobalt (50% basis, tonnes)	**-**	228	(100%)	**348**	940	(63%)
Fertilizer (tonnes)	**54,489**	49,253	11%	**163,837**	170,280	(4%)
Electricity (33⅓% basis, gigawatt hours)	**169**	243	(30%)	**585**	589	(1%)
SALES VOLUMES						
Finished nickel (50% basis, tonnes)	**160**	2,740	(94%)	**4,124**	9,435	(56%)
Finished cobalt (50% basis, tonnes)	**4**	262	(98%)	**374**	1,098	(66%)
Fertilizer (tonnes)	**38,847**	27,948	39%	**118,547**	105,682	12%
Electricity (33⅓% basis, gigawatt hours)	**169**	243	(30%)	**585**	589	(1%)
AVERAGE EXCHANGE RATE (CAD/US$)	**$ 1.399**	$ 1.377	2%	**$ 1.385**	$ 1.399	(1%)
AVERAGE-REALIZED PRICES (CAD)[1]						
Nickel ($ per pound)	**$ 11.25**	$ 9.42	19%	**$ 10.95**	$ 9.67	13%
Cobalt ($ per pound)	**35.30**	18.52	91%	**33.56**	16.23	107%
Fertilizer ($ per tonne)	**573.14**	517.25	11%	**611.78**	571.57	7%
Electricity ($ per megawatt hour)	**53.14**	52.33	2%	**52.58**	53.04	(1%)
UNIT OPERATING COSTS[1][3]						
Nickel (NDCC) (US$ per pound)	**$ 56.68**	$ 6.67	nm[2]	**$ 9.02**	$ 5.95	nm[2]
Electricity ($ per megawatt hour)	**14.43**	12.23	18%	**14.90**	23.27	(36%)

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

(2) Not meaningful ("nm")

(3) NDCC for the three and nine month periods ended September 30, 2026, are not meaningful measures of operating performance due to the allocation of fixed costs over significantly lower sales volumes following the stoppage of metals refining activities in Q2 2026.

FINANCIAL RESULTS

For the three months ended September 30, 2026

Consolidated revenue, which excludes revenue from the Moa JV as it is accounted for under the equity method, was $39.7 million and unchanged compared to $39.7 million in the prior year period. At Metals, revenue from Sherritt's wholly-owned Fort Site utility and fertilizer operations of $26.5 million was higher than Q3 2025 of $19.3 million primarily due to higher revenue from sales of fertilizers as a result of higher sales volume and average-realized price(1). Power revenue was $12.7 million compared to $13.9 million in Q3 2025 primarily due to lower electricity production. Oil and Gas service revenue was nil compared to $5.2 million in the prior year due to no drilling services being performed in the current year period.

Combined revenue(1), which includes the Corporation's consolidated revenue and its 50% share of revenue of the Moa JV and excludes Oil and Gas revenue, was $54.1 million compared to $108.4 million in Q3 2025 primarily as a result of lower nickel and cobalt sales revenue on lower sales volumes at the Moa JV partly offset by higher average-realized prices(1). For more information regarding sales volumes and average-realized prices(1) of nickel, cobalt and fertilizers refer to the Metals Review of operations section on page 10.

Net loss from continuing operations of $79.3 million compared to $19.5 million in Q3 2025 primarily due to a higher loss from operations in Metals of $46.2 million compared to $14.4 million in Q3 2025 as a result of lower nickel and cobalt sales volumes and stand-by costs incurred following the cessation of mining, processing, and refining activities in late Q2 2026. Power earnings from operations of $7.4 million compared to $8.6 million in Q3 2025 primarily due to lower electricity production and sales partly offset by lower maintenance costs in the current year period. Oil and Gas earnings from operations of $2.4 million was higher compared to $0.5 million in Q3 2025 primarily due to a $4.3 million non-cash gain on revaluation of the environmental rehabilitation provision for legacy Oil and Gas assets in Spain. The Corporation also recognized a non-cash revaluation loss of $26.8 million on the net receivable pursuant to the Cobalt Swap resulting from updates to valuation assumptions.

For the nine months ended September 30, 2026

Consolidated revenue was $133.0 million compared to $121.8 million in the prior year period. At Metals, revenue from Sherritt's wholly-owned Fort Site utility and fertilizer operations of $90.5 million was higher than the prior year period of $68.0 million primarily due to higher revenue from sales of fertilizers as a result of higher sales volume and average-realized price and higher sulphuric acid revenue primarily due to higher average-realized price partly offset by lower sales volume. Power revenue was $39.8 million compared to $35.9 million in the prior year period as a result of higher frequency control revenue and relatively unchanged electricity production. Oil and Gas service revenue of $0.5 million compared to $9.1 million in the prior year due to a decrease in drilling services performed in the current year period.

Combined revenue(1) was $292.8 million compared to $369.7 million in the prior year period primarily as a result of lower nickel and cobalt sales revenue on lower sales volumes at the Moa JV. For more information regarding sales volumes and average-realized prices(1) of nickel, cobalt and fertilizers refer to the Metals Review of operations section on page 10.

Net loss from continuing operations of $159.6 million compared to net loss from continuing operations of $49.7 million in the prior year. Metals' loss from operations of $70.3 million compared to $30.4 million in the prior year and was primarily driven by lower nickel and cobalt sales volume and stand-by costs incurred following the cessation of mining, processing, and refining activities in late Q2 2026. Power earnings from operations of $24.6 million was higher compared to $15.6 million in the prior year primarily due to lower maintenance costs in the current year period. Oil and Gas loss from operations of $43.1 million compared to $18.5 million in the prior year period primarily due to a $35.5 million non-cash loss on revaluation of the environmental rehabilitation provision for legacy Oil and Gas assets in Spain primarily due to an increase in estimated rehabilitation costs. The Corporation also recognized a non-cash revaluation loss of $21.0 million on the net receivable pursuant to the Cobalt Swap resulting from updates to valuation assumptions.

During the nine months ended September 30, 2025, Sherritt recognized a $32.4 million gain on Debt and Equity Transactions, net of transaction costs(2).

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

(2) 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.

CONSOLIDATED FINANCIAL POSITION

Cash and cash equivalents were $167.0 million as at September 30, 2026 compared to $203.8 million at June 30, 2026. As at September 30, 2026, total available liquidity in Canada was $42.4 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 three and nine months ended September 30, 2026, the Corporation received $36.6 million and $165.3 million of cash receipts for nickel, cobalt and fertilizer sales and other working capital items from the Moa JV, respectively, 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 which are 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. In addition, during the three months ended September 30, 2026, the Corporation repaid $16.6 million on the Credit Facility.

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

Significant factors influencing revenue

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

NICKEL

In Q3 2026, the price of nickel on the London Metal Exchange ("LME") closed at US$7.19/lb, slightly lower than the closing price of US$7.38/lb at the end of Q2 2026. The average nickel price during the quarter of US$7.52/lb was 9% below the average price in Q2 2026 of US$8.22/lb.

The global nickel market has tightened in 2026. Indonesian government policies, including reductions to nickel ore mining quotas, have moderated the outlook for supply growth, supporting prices. Supply has also been affected by elevated sulphur costs and availability constraints impacting certain HPAL operations.

Nickel demand is expected to outpace supply over the long-term, dependent on the pace and extent of Indonesian supply expansion and government intervention measures, global EV adoption rates and battery technology developments, global economic conditions and geopolitical developments.

COBALT

In Q3 2026, Argus Standard Grade cobalt price closed at US$23.25/lb, declining from the Q2 2026 closing price of US$26.50/lb. The average cobalt price during the quarter of US$26.04/lb was slightly below the average price in Q2 2026 of US$26.50/lb.

Export restrictions imposed by the Democratic Republic of the Congo ("DRC") in 2025 continue to impact cobalt supply with annual quotas for 2026 and 2027 capped at 96,600 tonnes, approximately half of DRC cobalt exports in 2024. Authorities have indicated that future adjustments will depend on market conditions.

The cobalt market outlook remains dependent on DRC export policies and the treatment of accumulated inventories, regulatory developments affecting cobalt production in Indonesia, battery technology developments and broader market conditions.

FERTILIZER

In Q3 2026, overall fertilizer reference prices strengthened but remained below levels observed in May 2026, the peak of the spring application season. Sulphur prices continued to increase through most of Q3 2026, contributing support for ammonium sulphate prices, although affordability concerns from customers has tempered additional increases. Current geopolitical risks, particularly disruptions to nitrogen and sulphur supply and distribution assets, continue to affect pricing sentiment.

Review of operations

METALS

$ millions (Sherritt's share), except as otherwise noted	For the three months ended 2026 September 30	2025 September 30	Change	For the nine months ended 2026 September 30	2025 September 30	Change
FINANCIAL HIGHLIGHTS[1]						
Revenue	**$ 41.2**	$ 94.1	(56%)	**$ 252.5**	$ 332.5	(24%)
Cost of sales	**84.3**	106.8	(21%)	**316.8**	356.0	(11%)
Loss from operations	**(46.2)**	(14.4)	(221%)	**(70.3)**	(30.4)	(131%)
Adjusted EBITDA[2]	**(25.7)**	(1.5)	nm[7]	**(19.7)**	11.8	(267%)
CASH FLOW[1]						
Cash (used) provided by continuing operations for operating activities[2]	**$ (32.5)**	$ (9.2)	(253%)	**$ (60.4)**	$ 32.7	(285%)
Free cash flow[2]	**(33.4)**	(17.9)	(87%)	**(68.5)**	(0.1)	nm[7]
PRODUCTION VOLUMES (tonnes)						
Mixed sulphides	**73**	3,720	(98%)	**2,818**	10,115	(72%)
Finished nickel	**-**	2,426	(100%)	**3,204**	8,804	(64%)
Finished cobalt	**-**	228	(100%)	**348**	940	(63%)
Fertilizer	**54,489**	49,253	11%	**163,837**	170,280	(4%)
NICKEL RECOVERY[3] (%)	**0%**	82%	nm[7]	**80%**	83%	(4%)
SALES VOLUMES (tonnes)						
Finished nickel	**160**	2,740	(94%)	**4,124**	9,435	(56%)
Finished cobalt	**4**	262	(98%)	**374**	1,098	(66%)
Fertilizer	**38,847**	27,948	39%	**118,547**	105,682	12%
AVERAGE REFERENCE PRICE[4] (US$ per pound)						
Nickel	**$ 7.52**	$ 6.81	10%	**$ 7.86**	$ 6.92	14%
Cobalt	**26.04**	17.17	52%	**26.17**	15.86	65%
AVERAGE-REALIZED PRICE[2]						
Nickel ($ per pound)	**$ 11.25**	$ 9.42	19%	**$ 10.95**	$ 9.67	13%
Cobalt ($ per pound)	**35.30**	18.52	91%	**33.56**	16.23	107%
Fertilizer ($ per tonne)	**573.14**	517.25	11%	**611.78**	571.57	7%
UNIT OPERATING COST[2][6] (US$ per pound)						
Nickel - net direct cash cost[2][6]	**$ 56.68**	$ 6.67	nm[7]	**$ 9.02**	$ 5.95	nm[7]
SPENDING ON CAPITAL[2]						
Sustaining						
Moa JV (50% basis), Fort Site (100% basis)	**$ 0.2**	$ 4.9	(96%)	**$ 0.9**	$ 21.3	(96%)
Moa JV - Tailings facility (50% basis)	**0.8**	7.2	(89%)	**7.3**	17.0	(57%)
Growth - Moa JV (50% basis)[5]	**-**	2.3	nm[7]	**-**	6.3	nm[7]
	$ 1.0	$ 14.4	(93%)	**$ 8.2**	$ 44.6	(82%)

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

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

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

(4) Reference sources: Nickel - 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.

(6) NDCC for the three and nine months ended September 30, 2026 are not meaningful measures of operating performance due to the incurrence of stand-by costs and allocation of fixed costs over significantly lower nickel sales volumes due to the cessation of refining activities in late Q2 2026.

(7) Not meaningful ("nm").

Metals revenue, cost of sales and NDCC[1] are composed of the following:

	For the three months ended			For the nine months ended		
	2026	2025		**2026**	2025	
$ millions, except as otherwise noted	**September 30**	September 30	Change	**September 30**	September 30	Change
REVENUE						
Nickel	**$ 3.9**	$ 56.9	(93%)	**$ 99.5**	$ 201.2	(51%)
Cobalt - Moa JV	**0.3**	10.7	(97%)	**27.7**	34.6	(20%)
Cobalt - Cobalt Swap	**-**	-	-	**-**	4.7	(100%)
Fertilizers	**22.2**	14.5	53%	**72.5**	60.4	20%
Other[2]	**14.8**	12.0	23%	**52.8**	31.6	67%
	$ 41.2	$ 94.1	(56%)	**$ 252.5**	$ 332.5	(24%)
COST OF SALES[3]						
Mining, processing and refining (MPR)[4]	**$ 26.1**	$ 56.4	(54%)	**$ 136.9**	$ 202.5	(32%)
Third-party feed costs	**0.3**	7.7	(96%)	**4.0**	16.0	(75%)
Finished cobalt cost[5]	**-**	-	-	**-**	4.7	(100%)
Fertilizers	**19.7**	10.8	82%	**54.3**	40.3	35%
Selling costs	**3.3**	4.1	(20%)	**11.5**	14.0	(18%)
Royalties/territorial contributions and other non-cash costs[6]	**5.3**	7.0	(24%)	**12.6**	16.2	(22%)
Other by-product costs and other[2]	**11.2**	7.9	42%	**49.0**	20.1	144%
	$ 65.9	$ 93.9	(30%)	**$ 268.3**	$ 313.8	(14%)
NET DIRECT CASH COST[1][10] (US$ per pound of nickel)						
Mining, processing and refining costs[6]	**$ 52.88**	$ 6.79	nm[11]	**$ 10.87**	$ 7.04	nm[11]
Third-party feed costs	**0.61**	0.91	nm[11]	**0.32**	0.55	nm[11]
Cobalt by-product credits[8]	**(0.61)**	(1.29)	nm[11]	**(2.20)**	(1.27)	nm[11]
Net fertilizer by-product credits	**(5.06)**	(0.44)	nm[11]	**(1.45)**	(0.69)	nm[11]
Selling costs	**6.69**	0.49	nm[11]	**0.91**	0.48	nm[11]
Changes in inventories and other adjustments[9]	**9.47**	0.68	nm[11]	**0.87**	0.23	nm[11]
Net other by-products credits and other	**(7.30)**	(0.47)	nm[11]	**(0.30)**	(0.39)	nm[11]
	$ 56.68	$ 6.67	nm[11]	**$ 9.02**	$ 5.95	nm[11]
AVERAGE EXCHANGE RATE (CAD/US$)	**$ 1.399**	$ 1.377		**$ 1.385**	$ 1.399	

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

(2) Other revenue and cost of sales includes the impact of the sale of MSP to third parties by the joint venture.

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

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

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

(6) 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.

(7) MPR costs for the purposes of NDCC includes Sherritt's share of the Moa JV's costs of nickel and cobalt sold during the period plus Sherritt's 50% share of cobalt received and sold under the Cobalt Swap during the period per pound of nickel sold and excludes the cost of the third-party sale of MSP which is included in Net other by-products credits and other.

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

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

(10) NDCC for the three and nine months ended September 30, 2026 are not meaningful measures of operating performance due to the incurrence of stand-by costs and allocation of fixed costs over significantly lower nickel sales volumes due to the cessation of refining activities in late Q2 2026.

(11) Not meaningful ("nm"). Refer to footnote 10 above.

For the three months ended September 30, 2026

Revenue

Metals revenue was $41.2 million compared to $94.1 million in the prior year period.

Nickel and cobalt revenue and sales volumes were lower due to the cessation of refining activities in Fort Saskatchewan, Alberta as outlined further below. Nickel revenue was $3.9 million compared to $56.9 million in the prior year period as sales volume of 160 tonnes was significantly lower compared to 2,740 tonnes in the prior year period. Cobalt revenue was $0.3 million compared to $10.7 million in the prior year period as sales volume of 4 tonnes was significantly lower compared to 262 tonnes in the prior year period.

Fertilizer revenue was $22.2 million compared to $14.5 million in the prior year period primarily due to higher sales volume and average-realized price[(1)]. Sales volume of 38,847 tonnes was 39% higher as customers purchased fall product earlier compared to the prior year period when sales were 27,948 tonnes. The average-realized price[(1)] of fertilizers of $573.14/tonne was 11% higher compared to the prior year period. The Fort Site continues to produce ammonia fertilizer and sulphuric acid for sale.

Production

Mining and processing operations ceased at the end of Q2 2026 as a result of fuel supply disruptions in Cuba and the inability to procure other input commodities and supplies due to the impact of the Executive Order. Only small quantities of mixed sulphides were produced during the quarter reflecting residual production from in-process inventories. Mixed sulphides production was 73 tonnes compared to 3,720 tonnes in the prior year period.

At the refinery in Fort Saskatchewan, Alberta, finished metals production ceased at the end of Q2 2026 after the inventory of mixed sulphides was depleted. As a result, no finished nickel or cobalt was produced during the quarter.

Fertilizer production was 54,489 tonnes, compared to 49,253 tonnes in the prior year period as initiatives to maximize fertilizer production were prioritized. Planned maintenance at the acid plant was completed during the third quarter of 2026 with the cessation of operations reducing sulphuric acid production and sales for the quarter.

NDCC[(1)]

NDCC[(1)] per pound of nickel sold and mining, processing and refining costs per pound of nickel sold ("MPR/lb") were higher, impacted by the incurrence of stand-by costs and higher allocation of fixed costs over the significantly lower nickel sales volume due to the cessation of mining, processing and refining activities in late Q2 2026, compared to the prior year period. NDCC[(1)] was US$56.68/lb compared to US$6.67/lb in the prior year period.

Spending on capital[(1)]

Sustaining spending on capital was $0.2 million compared to $4.9 million and spending on capital related to the tailings facility was $0.8 million compared to $7.2 million, respectively. Spending on capital was lower in the current year period as non-essential capital spending was deferred to manage liquidity and due to the impact of the Executive Order, which limited the joint venture's ability to procure or receive delivery of capital assets.

For the nine months ended September 30, 2026

Revenue

Metals revenue was $252.5 million compared to $332.5 million in the prior year period.

Nickel and cobalt revenue and sales volumes were lower primarily due to the cessation of refining activities in Fort Saskatchewan, Alberta at the end of Q2 2026. Nickel revenue was $99.5 million compared to $201.2 million in the prior year period as sales volume of 4,124 tonnes was significantly lower compared to 9,435 tonnes in the prior year period. Cobalt revenue was $27.7 million compared to $39.3 million in the prior year period as sales volume of 374 tonnes was significantly lower compared to 1,098 tonnes in the prior year period.

Fertilizer revenue was $72.5 million compared to $60.4 million in the prior year period primarily due to higher sales volume and higher average-realized prices[(1)] of fertilizers. Sales volume of 118,547 tonnes compared to 105,682 tonnes in the prior year period. In the current year period, the average-realized price[(1)] of fertilizers was $611.78/tonne, representing an increase of 7% compared to the prior year period.

Production

Mining and processing operations ceased at the end of Q2 2026 as a result of fuel supply disruptions in Cuba and the inability to procure other input commodities and supplies due to the impact of the Executive Order. As a result, mixed sulphides production was 2,818 tonnes, compared to 10,115 tonnes in the prior year period.

At the refinery in Fort Saskatchewan, Alberta, during the current-year period, finished nickel and cobalt production continued at reduced rates until June 22, 2026, when the mixed sulphides inventory was depleted. Finished nickel and cobalt production in the current year period was 3,204 tonnes and 348 tonnes, compared to 8,804 tonnes and 940 tonnes, respectively, in the prior year period.

Fertilizer production was 163,837 tonnes, compared to 170,280 tonnes in the prior year period. Fertilizer production was lower in the current year period primarily due to lower metals production partially offset by initiatives taken to maximize fertilizer production.

NDCC(1)

NDCC(1) per pound of nickel sold and MPR/lb were higher, impacted by the incurrence of stand-by costs and higher allocation of fixed costs over significantly lower nickel sales volume due to the cessation of mining, processing and refining activities in late Q2 2026 compared to the prior year period. NDCC(1) was US$9.02/lb compared to US$5.95/lb in the prior year period.

Spending on capital(1)

Sustaining spending on capital was $0.9 million compared to $21.3 million and spending on capital related to the tailings facility was $7.3 million compared to $17.0 million, respectively. Spending on capital was lower in the current year period as non-essential capital spending was deferred to manage liquidity and due to the impact of the Executive Order, which limited the joint venture's ability to procure or receive delivery of capital assets.

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

POWER

$ millions (Sherritt's share, 33⅓% basis), except as otherwise noted	For the three months ended 2026 September 30	2025 September 30	Change	For the nine months ended 2026 September 30	2025 September 30	Change
FINANCIAL HIGHLIGHTS						
Revenue	**$ 12.7**	$ 13.9	(9%)	**$ 39.8**	$ 35.9	11%
Cost of sales	**2.5**	3.4	(26%)	**9.7**	15.3	(37%)
Earnings from operations	**7.4**	8.6	(14%)	**24.6**	15.6	58%
Adjusted EBITDA[1]	**7.5**	9.1	(18%)	**25.9**	17.5	48%
CASH FLOW						
Cash provided by continuing operations for operating activities[1]	**$ 0.8**	$ 4.2	(81%)	**$ 36.5**	$ 21.1	73%
Free cash flow[1]	**0.8**	4.0	(80%)	**36.2**	20.0	81%
PRODUCTION AND SALES VOLUME						
Electricity (GWh[2])	**169**	243	(30%)	**585**	589	(1%)
AVERAGE-REALIZED PRICE[1]						
Electricity (per MWh[2])	**$ 53.14**	$ 52.33	2%	**$ 52.58**	$ 53.04	(1%)
UNIT OPERATING COST[1]						
Electricity (per MWh)	**$ 14.43**	$ 12.23	18%	**$ 14.90**	$ 23.27	(36%)
SPENDING ON CAPITAL[1]						
Sustaining	**$ -**	$ 0.2	(100%)	**$ 0.3**	$ 1.1	(73%)

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

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

Power revenue is composed of the following:

$ millions (Sherritt's share, 33⅓% basis)	For the three months ended 2026 September 30	2025 September 30	Change	For the nine months ended 2026 September 30	2025 September 30	Change
Electricity sales	**$ 9.0**	$ 12.7	(29%)	**$ 30.8**	$ 31.2	(1%)
Frequency control revenue	**2.8**	0.3	833%	**6.2**	2.4	158%
By-products and other	**0.9**	0.9	-	**2.8**	2.3	22%
	$ 12.7	$ 13.9	(9%)	**$ 39.8**	$ 35.9	11%

For the three months ended September 30, 2026

Revenue

Revenue was $12.7 million compared to $13.9 million in the prior year period primarily due to lower electricity production as discussed below.

Production

Electricity production of 169 GWh compared to 243 GWh in the prior year period primarily due to higher participation in frequency control by Energas in the current year period to help stabilize the national power grid. 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] of $14.43/MWh was higher than the prior year period of $12.23/MWh as lower production resulted in higher cost on a per MWh basis in the current year period. 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 nil.

Dividends from Energas

In April 2026, foreign currency payments from the Moa JV to the Corporation 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.

For the nine months ended September 30, 2026

Revenue

Revenue was $39.8 million compared to $35.9 million in the prior year period.

Production

Electricity production was 585 GWh compared to 589 GWh in the prior year period as higher participation in frequency control by Energas to stabilize the national power grid was largely offset by lower maintenance.

Unit operating cost[(1)]

Unit operating cost[(1)] was $14.90/MWh, compared to $23.27/MWh, primarily as a result of lower maintenance costs in the current year period.

Spending on capital[(1)]

Spending on capital[(1)] was $0.3 million.

Dividends from Energas

To June 30, 2026, Sherritt received $5.5 million of dividends in Canada from Energas compared to $9.9 million in the same period in 2025. In April 2026, dividends from Energas to the Corporation in Canada ceased.

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

CORPORATE AND OTHER

	For the three months ended			For the nine months ended		
	2026	2025		**2026**	2025	
$ millions	**September 30**	September 30	Change	**September 30**	September 30	Change
EXPENSES						
Administrative expenses	**$ 12.3**	$ 6.2	98%	**$ 31.6**	$ 21.2	49%

Corporate and Other's administrative expenses are primarily composed of employee costs; termination benefits; share-based compensation expenses/recoveries; as well as legal, consulting and audit fees incurred to support head office activities, corporate action and joint venture management.

For the three and nine months ended September 30, 2026

Administrative expenses at Corporate and Other were $6.1 million and $10.4 million higher for the three and nine months ended September 30, 2026, respectively, than in the prior year periods primarily as a result of an increase in legal and consulting fees related to the Executive Order and the Gillon Private Placement and an increase in share-based compensation expense due to a $0.14 increase and $0.12 increase, respectively, in the Corporation's share price in the current year periods compared to a $0.01 decrease and $0.03 decrease, respectively in the prior year periods, partially offset by a decrease in employee costs as a result of workforce reduction measures completed in prior years.

In addition, the Corporation signed a more economical office lease during the second quarter after terminating its previous Toronto office lease in the first quarter.

In May 2026, Brian Imrie, Richard Moat and Brett Richards resigned from the Corporation's Board of Directors and the Corporation's Chief Financial Officer resigned from the organization following the issuance of the Executive Order. In June 2026, the Corporation appointed Fitzroy Richardson as Interim Chief Financial Officer to provide experienced financial leadership and Tabrez Khan as an independent director, bringing deep M&A, financial and strategic advisory experience to the Board. Concurrent with Mr. Khan's appointment to the Board, he was appointed to the Audit Committee. Following Mr. Khan's appointment, the Audit Committee consists of Dr. Peter Hancock, Ms. Chih-Ting Lo, and Mr. Khan.

Subsequent to period end, in October 2026, the Corporation's Chief Human Resources Officer and Corporate Secretary resigned from the organization to pursue another opportunity.

Liquidity

Liquidity update

During the three and nine months ended September 30, 2026, the Corporation received $36.6 million and $165.3 million of cash receipts for nickel, cobalt and fertilizer sales and other working capital items from the Moa JV, respectively, 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, which are recognized as accounts payable to the Moa JV and being used to fund working capital, partially offset by a $16.6 million repayment of the Credit Facility. As at September 30, 2026, the Corporation had available credit facilities of nil (December 31, 2025 - $30.3 million).

On May 1, 2026, a material adverse change to the Corporation's business occurred as a result of the issuance of the Executive Order by the United States government expanding sanctions against persons and companies conducting business in Cuba, that gives the administrative agent (on behalf of the lenders) under the Credit Facility agreement the ability to call an event of default and demand repayment of all indebtedness owing under such agreement in the principal amount of $51.9 million including outstanding letters of credit as of November 13, 2026. If a demand for repayment of all or a portion of the current amounts outstanding under the Credit Facility were made, the Corporation's current cash balance in Canada would be insufficient to pay such amount and the Corporation would be required to seek alternative sources of financing. Borrowings under the Credit Facility are secured by all of the assets and property of the Corporation and its material subsidiaries, and the eligible receivables and inventories of International Cobalt Company Inc., The Cobalt Refinery Company Inc., New Providence Metals Marketing Inc. and New Providence Metals Sales Inc., that form the borrowing base collateral.

In addition, the borrowing base of the Credit Facility on May 31, 2026, June 30, 2026, July 31, 2026, August 31, 2026 and September 30, 2026 was below the then aggregate borrowings including outstanding letters of credit and during the three months ended June 30, 2026 and September 30, 2026, the Corporation was not in compliance with certain covenants, as defined in the Credit Facility agreement. Refer to the Capital resources section of this MD&A for further details on the Credit Facility.

Subsequent to period end, on October 30, 2026, the Corporation did not pay interest of $11.5 million on the Amended Senior Secured Notes that was due and payable. Refer to the Developments subsequent to the quarter section of this MD&A for further details on non-payment of interest on the Amended Senior Secured Notes subsequent to period end. A default in payment of interest will only constitute a continuing event of default under the Amended Senior Secured Notes if it remains outstanding for 30 days.

The Corporation is currently in discussions with its lenders, and some of its noteholders and equity holders to address the issues above and find a comprehensive long-term solution to these matters. The Corporation does not have existing liquidity or alternative financing sources at this time to repay all or a material portion of its indebtedness if it becomes due earlier than its current stated maturity as a result of an acceleration by one or more of its creditors; and while it has had a history of being able to refinance or extend its indebtedness in the past, its ability to do so in the current circumstances remains uncertain and is subject to factors that are outside of the Corporation's control.

As of April 2026, foreign currency payments from the Moa JV to the Corporation facilitated by the Moa Swap ceased as a result of reduced operations at the Moa JV which have reduced the Moa JV's cash available in major foreign currencies and resulted in the cessation of dividends from Energas to the Corporation in Canada. In addition, effective May 7, 2026, the Corporation suspended its direct participation in joint venture activities in Cuba following the issuance of the Executive Order by the U.S. administration expanding U.S. sanctions against Cuba.

Furthermore, on April 7, 2026, the Corporation issued 207.4 million common shares at a price of $0.21 per common share for gross cash proceeds of $43.6 million.

In addition, on May 20, 2026, Sherritt announced that it had entered into a non-binding term sheet with 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.

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 announced it had 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. The exclusivity period ended on October 12, 2026 and the Corporation continues to negotiate with Gillon Capital on the Gillon Private Placement.

Lastly, the Corporation is pursuing additional debt financing and other financing arrangements in order to improve its liquidity.

Cost reduction measures to improve the Corporation's liquidity

During the nine months ended September 30, 2026, consistent with the Corporation's strategic focus on core operations and cost reduction, the Corporation eliminated the position of Chief Commercial Officer, terminated its previous Toronto office lease, signed a more economical office lease and implemented a temporary workforce layoff program.

Moa JV liquidity factors and update

Moa JV's cash and cobalt distributions to the Corporation are determined based on available cash in excess of its liquidity requirements and differ from the Moa JV's Adjusted EBTIDA, which is based on revenue, cost of sales and other expenses recognized by the Moa JV based on the accrual method. Determinants of the Moa JV's liquidity include anticipated nickel and cobalt prices and sales volumes, planned spending on capital at the Moa JV including growth capital, capital committed toward the new tailings facility net of financing, working capital needs, expected financing and other expected liquidity requirements. Available cash is also impacted by changes in working capital primarily related to changes in inventory, and timing of receipts and payments, including receipts on nickel and cobalt sales subsequent to shipment. Effective May 7, 2026, the Corporation suspended its direct participation in joint venture activities in Cuba following the issuance of the Executive Order by the U.S. administration expanding U.S. sanctions against Cuba on May 1, 2026.

As at September 30, 2026, the Moa JV had drawn $85.1 million (US$60.0 million) on a US$60.0 million (100% basis) (December 31, 2025 - $82.2 million (US$60.0 million)) equivalent Cuban credit facility in CUP to support spending on tailings management and working capital, of which $21.3 million is included in current loans and borrowings (December 31, 2025 - nil) and $63.8 million is included in non-current loans and borrowings (December 31, 2025 - $82.2 million).

In early 2026, Venezuela ceased oil exports to Cuba as a result of U.S. government intervention. Venezuela has historically been a major supplier of oil to Cuba and this supply disruption has further exacerbated 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 supplying oil to Cuba, which has imposed a de facto embargo of oil and fuel supply to Cuba. As a result, the Moa JV was unable to procure fuel and other input commodities and supplies and mining and processing operations in Cuba at the Moa mine ceased at the end of Q2 2026. Inventory of feed at the refinery in Fort Saskatchewan, Alberta was depleted and the refinery also ceased operations at the end of Q2 2026. The foregoing has reduced the Moa JV's cash available in major foreign currencies and as of April 2026, resulted in the cessation of foreign currency payments pursuant to the Moa Swap.

At this time, the Corporation is unable to provide a timeline for the restoration of feed to the refinery until such time that mining and processing activities at Moa resume and the refinery feed pipeline is rebuilt. During the downtime, the Corporation is completing necessary maintenance activities that do not require significant capital investment.

Liquidity factors

In normal course, the main factors that affect the Corporation's liquidity in Canada include realized sales prices, timing of collection of receivables, production volumes, cash production costs, working capital requirements, capital and environmental rehabilitation expenditure requirements, the timing of distributions from the Moa JV (including pursuant to the Cobalt Swap), advances from/to the Moa JV, the timing of cobalt sales and receipts pursuant to the Cobalt Swap, the timing of dividends from Energas in Canada (as facilitated by the Moa Swap), net repayments of non-current loans and borrowings, credit capacity and debt and equity capital market conditions. The Corporation discloses further information regarding the material uncertainty that may cast significant doubt about the Corporation's ability to continue as a going concern and its application of significant judgment in the assessment of the Corporation's ability to continue as a going concern in the Basis of presentation, going concern, material accounting policies and critical accounting estimates and judgments section of this MD&A.

The Corporation's liquidity requirements are met through a variety of sources, including cash and cash equivalents, cash generated from operations, the existing Credit Facility, leases and debt and equity capital markets. Refer to the Capital resources section for further details on the Amended Senior Secured Notes and the Credit Facility.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations associated with financial liabilities. Liquidity risk arises from the Corporation's financial obligations and in the management of its assets, liabilities and capital structure. The Corporation manages this risk by regularly evaluating its liquidity and using cash provided by operating activities and liquid assets to ensure its ability to fund current and non-current financial obligations and capital commitments for the foreseeable future in a cost-effective manner. Significant adverse changes to one, or a combination of these factors, without offsetting changes to others, would have a negative impact on the Corporation's liquidity position and may affect its ability to satisfy current and non-current obligations as they become due and/or comply with covenant requirements pursuant to its arrangements with its creditors and lenders.

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

$ millions, as at September 30, 2026	Cash	Cash equivalents	Total
Canada	$ 42.4	$ -	$ 42.4
Cuba[1]	123.5	-	123.5
Other	1.1	-	1.1
	$ 167.0	$ -	$ 167.0

The Corporation's 50% share of cash and cash equivalents in the Moa JV, not included in the above balances:	$ 6.8

(1) As at September 30, 2026, $120.0 million of the Corporation's cash and cash equivalents was held by Energas in Cuba (December 31, 2025 - $103.3 million).

SOURCES AND USES OF CASH

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

	For the three months ended			For the nine months ended		
	2026	2025		**2026**	2025	
$ millions	**September 30**	September 30	Change	**September 30**	September 30	Change
Cash (used) provided by operating activities						
Cash (used) provided by operating activities[1]						
Metals - Fort Site[2]	**$ (35.7)**	$ 12.9	(377%)	**$ (84.0)**	$ 30.3	(377%)
Metals - Metals Marketing[3]	**(1.4)**	(2.2)	36%	**6.7**	1.2	458%
Power	**0.8**	4.2	(81%)	**36.6**	21.1	73%
Oil and Gas[4]	**(4.0)**	(2.8)	(43%)	**(7.0)**	(2.0)	(250%)
Corporate and Other[5]	**20.6**	(7.2)	386%	**69.9**	(23.6)	396%
Distributions from Moa JV:						
Proceeds from Cobalt Swap - Sherritt share	**-**	-	-	**-**	3.1	(100%)
Proceeds from Cobalt Swap - GNC redirected share	**-**	-	-	**-**	3.1	(100%)
Interest paid on Notes	**-**	-	-	**(11.5)**	(8.7)	32%
Share-based compensation payments	**(0.2)**	(0.1)	nm[6]	**(3.0)**	(1.4)	114%
Liabilities settled for environmental rehabilitation provisions	**-**	-	-	**-**	(12.1)	(100%)
Net (payments on) proceeds from natural gas swaps	**-**	(2.4)	100%	**0.6**	(2.0)	130%
Purchase of nickel put options	**-**	-	-	**(2.4)**	-	-
Other cash provided by operating activities	**-**	0.1	(100%)	**-**	0.1	(100%)
Cash (used) provided by continuing operations	**(19.9)**	2.5	nm[6]	**5.9**	9.1	(35%)
Cash used by discontinued operations	**-**	(0.1)	100%	**-**	(0.2)	100%
Cash (used) provided by operating activities	**$ (19.9)**	$ 2.4	nm[6]	**$ 5.9**	$ 8.9	(34%)
Cash used by investing activities	**$ (0.1)**	$ (2.5)	96%	**$ -**	$ (8.3)	100%
Cash (used) provided by financing activities	**(16.7)**	(3.5)	(377%)	**32.2**	(22.4)	244%
Effect of exchange rate changes on cash and cash equivalents	**(0.1)**	2.2	(105%)	**4.0**	(3.7)	208%
(Decrease) increase in cash and cash equivalents	**$ (36.8)**	$ (1.4)	nm[6]	**$ 42.1**	$ (25.5)	265%
Cash and cash equivalents at the beginning of the period	**$ 203.8**	$ 121.6	68%	**$ 124.9**	$ 145.7	(14%)
Cash and cash equivalents at the end of the period	**$ 167.0**	$ 120.2	39%	**$ 167.0**	$ 120.2	39%

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

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

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

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

(5) Excluding share-based compensation payments and purchase of nickel put options, presented separately above.

(6) Not meaningful ("nm").

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

Cash used by operating activities was higher for the three months ended September 30, 2026 and cash provided by operating activities was lower for the nine months ended September 30, 2026 compared to the same periods in the prior year, primarily as a result of the following:

- Higher cash used by operating activities for the three and nine months ended September 30, 2026 at Fort Site primarily due to lower net cash receipts from the Moa JV for costs incurred by Fort Site on behalf of the Moa JV's Canadian operations due to constrained liquidity at the Moa JV primarily resulting from fuel supply disruption in Cuba, the inability to procure other input commodities and supplies in Cuba as a result of the Executive Order, lower fertilizer pre-buys for fall season sales, as well as timing of working capital payments;

- Lower cash used by operating activities for the three months ended September 30, 2026 and higher cash provided by operating activities for the nine months ended September 30, 2026 at Metals Marketing primarily due to timing of customer receipts;

- Lower cash provided by operating activities for the three months ended September 30, 2026 at Power primarily due to timing of working capital payments. Higher cash provided by operating activities for the nine months ended September 30, 2026 at Power primarily due to lower maintenance costs and timing of working capital payments in the current year period. Sherritt received dividends of nil and $5.5 million during the three and nine months ended September 30, 2026, respectively, which was lower than the $8.3 million and $18.2 million of dividends received during the same periods in the prior year, respectively, primarily due to the cessation of the Moa Swap in April 2026 and the timing of maintenance. Energas dividends are not reflected in the above table due to eliminations required for joint operations for accounting purposes;

- Higher cash used by operating activities for the three and nine months ended September 30, 2026 at Oil and Gas primarily due to timing of working capital payments and receipts;

- Higher cash provided by operating activities for the three and nine months ended September 30, 2026 at Corporate and Other primarily due to cash receipts for nickel, cobalt and fertilizer sales and other working capital items relating to the Moa JV in response to the Executive Order and the Corporation's suspension of its direct participation in joint venture activities in Cuba, partially offset in the nine months ended September 30, 2026 by higher legal and consulting fees primarily related to the Executive Order and Gillon Private Placement;

- Nil proceeds from the Cobalt Swap from the sale of cobalt to customers during the three and nine months ended September 30, 2026. In the prior year period, finished cobalt was sold from the distribution received at the end of the fourth quarter of 2024; and

- Lower cash used for the settlement of contractually obligated liabilities for environmental rehabilitation provisions for legacy Oil and Gas assets in Spain as payments are currently being deferred.

Minimal investing activities for the three and nine months ended September 30, 2026 reflect reductions and deferrals of property, plant and equipment expenditures to preserve liquidity. Financing activities for the three months ended September 30, 2026 primarily consist of repayment of the Credit Facility. Financing activities for the nine months ended September 30, 2026 primarily consist of proceeds from the issuance of common shares, net of transaction costs, net of repayment of the Credit Facility.

Capital resources

CAPITAL RISK MANAGEMENT

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

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

During the nine months ended September 30, 2026, the Corporation issued 207,425,508 common shares at a price of $0.21 per common share and gross cash proceeds of $43.6 million.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS[(1)]

The Corporation's significant contractual commitments, obligations, and interest and principal repayments in respect of its financial liabilities, income taxes payable, provisions, lease liabilities and commitments for property, plant and equipment are presented in the following table on an undiscounted basis.

Canadian $ millions, as at September 30, 2026	Total	Falling due within 1 year	Falling due between 1-2 years	Falling due between 2-3 years	Falling due between 3-4 years	Falling due between 4-5 years	Falling due in more than 5 years
Trade accounts payable and accrued liabilities[2]	$ 250.0	$ 250.0	$ -	$ -	$ -	$ -	$ -
Income taxes payable	1.3	1.3	-	-	-	-	-
Amended Senior Secured Notes (includes principal, interest and Scheduled Repurchases)	363.7	35.7	39.7	35.5	18.9	18.9	215.0
Credit Facility	61.8	61.8	-	-	-	-	-
Other non-current financial liabilities	1.0	-	-	-	-	0.4	0.6
Provisions	250.8	21.2	9.9	2.9	0.4	0.2	216.2
Energas payable[3]	92.3	-	92.3	-	-	-	-
Lease liabilities	2.3	0.8	0.5	0.6	0.2	0.2	-
Property, plant and equipment commitments	1.0	1.0	-	-	-	-	-
Total	$ 1,024.2	$ 371.8	$ 142.4	$ 39.0	$ 19.5	$ 19.7	$ 431.8

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

(2) Included in trade accounts payable and accrued liabilities falling due within one year is $8.4 million of trade accounts payable related to environmental rehabilitation costs for the Corporation's legacy Spanish Oil and Gas operations. Refer to note 14 in the Corporation's condensed consolidated financial statements for the three months ended September 30, 2026 for further information on the Corporation's environmental rehabilitation provision for legacy Spanish Oil and Gas operations.

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

AMENDED SENIOR SECURED NOTES

As at September 30, 2026, the outstanding principal amount of the Amended Senior Secured Notes is $249.0 million (December 31, 2025 - $249.0 million) and the Corporation was in compliance with all Amended Senior Secured Notes covenants.

Refer to the Developments subsequent to the quarter section of this MD&A for further details on non-payment of interest on the Amended Senior Secured Notes subsequent to period end.

CREDIT FACILITY

As at September 30, 2026, $59.2 million (December 31, 2025 - $69.0 million) was drawn on the Credit Facility, which matures on April 30, 2027.

During the nine months ended September 30, 2026, the reference interest rate benchmark on the Credit Facility changed from Adjusted CORRA plus 4.0% to the Prime Rate plus 3.0%, with no significant change to the interest rate. There were no other significant changes to the terms, financial covenants or restrictions of the Credit Facility.

On May 1, 2026, a material adverse change to the Corporation's business occurred as a result of the issuance of the Executive Order by the United States government expanding sanctions against persons and companies conducting business in Cuba, that gives 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. Borrowings under the Credit Facility are secured by all of the assets and property of the Corporation and its material subsidiaries, and the eligible receivables and inventories of International Cobalt Company Inc., The Cobalt Refinery Company Inc., New Providence Metals Marketing Inc. and New Providence Metals Sales Inc., that form the borrowing base collateral.

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 the Corporation repaid the deficiency of $3.2 million in June 2026. On June 30, 2026, the borrowing base of the Credit Facility was $43.1 million, which was below 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 of $33.2 million and the Corporation repaid 50% of the deficiency amounting to $16.6 million in July 2026 in return for the lenders agreeing not to act on the Corporation's default to pay the full amount of the deficiency. Lastly, 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, which resulted in an event of default during the three months ended September 30, 2026, for which the lenders have not issued a notice of an event of default.

On July 31, 2026, the borrowing base of the Credit Facility was $28.6 million, which was below the then aggregate borrowings of $59.7 million including outstanding letters of credit, resulting in a borrowing base deficiency of $31.1 million. The lenders issued a further notice of excess borrowing and required repayment of the deficiency amount. The Corporation did not make the required repayment and as a result, an event of default occurred, for which the lenders have not issued a notice of acceleration of the debt. On August 31, 2026, the borrowing base of the Credit Facility was $26.9 million, which was below the then aggregate borrowings of $59.7 million including outstanding letters of credit, resulting in a borrowing base deficiency of $32.8 million. The lenders issued a further notice of excess borrowing and required repayment of the deficiency amount. The Corporation did not make the required repayment and as a result, an event of default occurred, for which the lenders have not issued a notice of acceleration of the debt. On September 30, 2026, the borrowing base of the Credit Facility was $21.9 million, which was below the then aggregate borrowings of $59.7 million including outstanding letters of credit, resulting in a borrowing base deficiency of $37.8 million. The lenders issued a further notice of excess borrowing and required repayment of the deficiency amount. The Corporation did not make the required repayment and as a result, an event of default occurred, for which the lenders have not issued a notice of acceleration of the debt.

During the three months ended September 30, 2026, the Corporation was not in compliance with the EBITDA-to-Interest Expense and Senior Secured Net Debt-to-EBITDA covenants, as defined in the Credit Facility agreement, which resulted in events of default during the three months ended September 30, 2026, for which the lenders have not issued notices of events of default. The Corporation was in compliance with all other Credit Facility covenants.

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

Subsequent to period end, the Corporation repaid $7.8 million on the Credit Facility.

As of November 13, 2026, the administrative agent under the Credit Facility has not issued a notice of acceleration of the debt. An acceleration of the indebtedness owing under the Credit Facility and/or the expiry of the 30-day cure period in respect of the October 30, 2026 missed interest payment on the Amended Senior Secured Notes would permit the holders of at least 25% of the outstanding principal amount of the Amended Senior Secured Notes of the Corporation to also declare all of the Corporation's Amended Senior Secured Notes to be due and payable. Enforcement rights by the noteholders are subject to a 180-day standstill period, as provided in the inter-creditor agreement, and further subject to limitation if the Credit Facility lenders have already commenced enforcement action against all or a material portion of the collateral.

COMMON SHARES

As at November 13, 2026, the Corporation had 703,967,424 common shares outstanding following the issuance of 207,678,744 common shares during the nine months ended September 30, 2026. An additional 6,432,495 common shares are issuable upon exercise of outstanding stock options granted to employees pursuant to the Corporation's stock option plan.

Managing risk

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

A comprehensive list of the Corporation's significant business risks and strategies designed to manage these risks can be found in the Corporation's 2025 Annual Information Form for the year ended December 31, 2025, dated March 23, 2026.

Refer to the below risks related to Sherritt's operations at the Moa JV and in Cuba, risks related to U.S. government policy towards Cuba and risks related to the input commodity price and availability of sulphur.

OPERATIONS AT THE MOA JV

On February 17, 2026, the Corporation disclosed that operations at the Moa JV mine in Cuba had been reduced due to country-wide fuel supply disruption and expected to pause operations if fuel supplies could not be restored. More recently, as a result of U.S. administration's issuance of Executive Order 14404 ("E.O. 14404") on May 1, 2026, Sherritt suspended its direct participation in joint venture activities in Cuba, effective May 7, 2026. Further, on May 7, 2026, the U.S. Secretary of State redesignated Moa Nickel SA ("Moa Nickel"), the Cuban joint venture in which Sherritt holds a 50 percent interest, to the List of Specially Designated Nationals and Blocked Persons ("SDN List") maintained by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") pursuant to E.O. 14404. The order authorizes the designation to the SDN List of persons determined to own or control, directly or indirectly, any person whose property or interests in property are blocked pursuant to the order.

Subsequent to period end, on October 19, 2026, the Corporation received a specific license (the "Fuel License") from the United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") authorizing the purchase and delivery of fuel, fuel oil, and sulphur to Sherritt's Moa Nickel mining and processing operations in Cuba, which form part of the Moa JV. The Fuel License is the first of a series of anticipated OFAC emergency licenses that will be necessary for Sherritt to be able to restart mining and processing operations at Moa Nickel as well as further processing and refining operations in Canada. It is not guaranteed that Sherritt will receive any further such anticipated licenses.

The Fuel License authorizes the sale, transportation, export, delivery and payment for fuel, fuel oil, and sulfur to Moa Nickel, together with all related services. The authorization extends to the Corporation's licensed fuel supplier and persons acting on their behalf (including banks and vessel operators), as well as other necessary insurance or ancillary service providers (the "Covered Participants").

In connection with the Fuel License, Sherritt entered into an interim consent agreement dated as of September 23, 2026 (the "Agreement") with Moa Bay Mining Co. ("Moa Bay"), the holder of a certified claim relating to Moa Nickel under Title III of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 (the "Helms-Burton Act"). Under the Agreement, Moa Bay consented to interim fuel shipments to Moa Nickel in exchange for consent fees payable by or on behalf of Sherritt. As part of the Agreement, Moa Bay also agreed not to bring any Helms-Burton Act claims against the Covered Participants in connection with those authorized shipments. Sherritt and Moa Bay also obtained, concurrently with the Fuel License issued on October 19, 2026, separate OFAC authorization required for performance under the Agreement in the form of an additional specific license authorizing execution and performance under the interim consent agreement.

The actual restart of operations at Moa Nickel remains subject to receipt of a second OFAC emergency license, which the Corporation is working to obtain with the continued support of and in close coordination with U.S. investment firm Gillon Capital. Sherritt and Gillon Capital continue to negotiate a potential acquisition of the Corporation by Gillon Capital. Executing this acquisition would require separate OFAC authorizations, which Sherritt and Gillon Capital intend to apply for, but which is not guaranteed.

For further information on the risks related to the Moa JV, refer to the Corporation's 2025 Annual Information Form, as well as the risk factor entitled "Risks Related to Sherritt's Operations in Cuba" and "Risks Related to U.S. Government Policy Towards Cuba" immediately below.

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 are affected by economic and other pressures on Cuba. Additionally, the continued general economic decline in Cuba has had an adverse 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. On June 30, 2025, the current 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 increased the risks related to Sherritt's operations in Cuba.

On May 1, 2026, the U.S. administration issued E.O. 14404, which significantly expands the scope of U.S. sanctions against Cuba. E.O. 14404 authorizes the imposition of property-blocking sanctions against persons, including companies outside of Cuba, determined to operate or have operated in certain sectors of the Cuban economy, including the metals and mining and energy sectors, determined to own or control persons whose property is blocked under the order, or determined to have materially assisted or provided goods, services or support, including financial support, to persons (including the Government of Cuba and its agencies) whose property is blocked under the order. Further context on E.O. 14404 is discussed in the risk factor entitled "Risks Related to U.S. Government Policy Towards Cuba". As a result of E.O. 14404, Sherritt suspended its direct participation in joint venture activities in Cuba, effective May 7, 2026. The refinery operations in Fort Saskatchewan, Alberta are no longer producing finished nickel and cobalt for sale after exhaustion of feed available for such production in late June 2026. With regard to Sherritt's Moa JV in Cuba, as noted above, the U.S. Secretary of State redesignated Moa Nickel to the SDN List on May 7, 2026 pursuant to E.O. 14404. Moa Nickel was already designated to the SDN List pursuant to existing Cuba-related authorities. Moa Nickel's redesignation pursuant to E.O. 14404 has had, and will likely continue to have, a material adverse effect on Sherritt's operations in Cuba and on Sherritt more generally. The designation of Moa Nickel, as well as Sherritt's now-suspended operations in the Cuba metals and mining sector, provide a basis on which Sherritt itself could be at risk for designation for property-blocking sanctions under E.O. 14404.

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 exacerbated 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, along with an effective U.S. fuel blockade of Cuba, has further restricted 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 any restarted operations even with OFAC authorization to resume fuel oil purchases as of October 19, 2026. There is also no guarantee or assurance that OFAC will continue to provide any further authorization for Sherritt and its partners to restart operations in Cuba or that any such authorization, if granted, remains in place for a sufficient period of time to permit Sherritt to successfully restart 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 JV 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 JV 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 JV 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.

For further information on the risks related to Sherritt's operations in Cuba, refer to the Corporation's 2025 Annual Information Form.

RISKS RELATED TO U.S. GOVERNMENT POLICY TOWARDS CUBA

The United States has maintained a comprehensive embargo against Cuba since the early 1960s, and the enactment in 1996 of the Helms-Burton Act extended the reach of the U.S. embargo. On May 1, 2026, the United States significantly expanded the scope of the U.S. sanctions against Cuba, through E.O. 14404 issued by the current U.S. administration. As discussed below, this significant expansion of the U.S. sanctions against Cuba, including the designation of Moa Nickel to the SDN List, has had and will continue to have a significant adverse effect on Sherritt.

The U.S. Embargo

Apart from the Helms-Burton Act, the historic U.S. sanctions prohibit 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 by "persons subject to the jurisdiction of the United States," unless authorized under general or specific licenses issued by 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 prohibits transactions or dealings by persons subject to U.S. jurisdiction 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 unblocked Cuban nationals. Additionally, the embargo applies to persons and entities designated by OFAC to the SDN list pursuant to the U.S. embargo against Cuba, as well as entities owned 50% or more, directly or indirectly, by one or more persons on the SDN List. The three entities constituting the Moa JV in which Sherritt holds an indirect 50% interest were designated to the SDN List by OFAC under these long-standing sanctions against Cuba. Sherritt has not been designated to the 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 United States 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. 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.

E.O. 14404 issued by the current U.S. administration significantly expanded the scope of the U.S. sanctions against Cuba by authorizing the imposition of property-blocking sanctions on any person determined by the U.S. Secretary of the Treasury or the U.S. Secretary of State to operate or have operated in specified sectors of the Cuban economy, including the metals and mining sector and the energy sector. The three entities constituting the Moa JV in which Sherritt owns a 50 percent interest operate in Cuba's metals and mining sector. Sherritt's joint venture with two agencies of the Cuban government for the generation and distribution of power operates in the Cuban energy sector through Energas S.A., in which Sherritt holds a one-third interest. Sherritt and its joint venture partners thus risk exposure to property-blocking sanctions under the E.O. 14404 for operating under the metals and mining or energy sectors of Cuba and, as noted in the risk factor entitled "Risks Related to Sherritt's Operations in Cuba," one of them, Moa Nickel, was redesignated to the SDN List pursuant to E.O. 14404 on May 7, 2026. As a result of the issuance of E.O. 14404, Sherritt suspended its direct participation in joint venture activities in Cuba, effective May 7, 2026.

E.O. 14404 also authorizes the imposition of property-blocking sanctions against persons determined to own or control persons whose property is blocked pursuant to the order, and persons determined to have materially assisted or provided financial, material, or technological support for, or goods or services to or in support of, persons whose property is blocked under the order, including the Government of Cuba and its agencies. Thus, even if Sherritt itself is not determined to operate in the metals and mining or energy sectors of Cuba, it risks exposure to property-blocking sanctions as a result of Moa Nickel's redesignation to the SDN List under E.O. 14404 and any future designation of its other joint venture partners. The issuance of E.O. 14404 and Moa Nickel's redesignation to the SDN List pursuant to the order have had, and will likely continue to have, a material adverse effect on Sherritt's operations in Cuba and on Sherritt more generally.

Persons determined to be senior executive officers or members of the Board of Directors of any entity whose property is blocked under the order also may be designated for such property-blocking sanctions, along with adult members of their families; and they and such adult family members may be excluded from entry into the United States as immigrants or non-immigrants.

Recent U.S. Supreme Court decisions issued in June 2026 expanded liability and standing under Title III of the Helms-Burton Act, increasing the risk of claims being filed against the Corporation. On July 29, 2026, a lawsuit was filed under Title III against Unión Eléctrica and Energas S.A., in which Sherritt indirectly holds a one-third interest; Sherritt is not a named defendant. Sherritt believes its minimal contacts with the United States would likely limit any U.S. court's jurisdiction over it, although there can be no assurance in this regard.

For further information on the risks related to The Helms-Burton Act, refer to the Corporation’s 2025 Annual Information Form.

SULPHUR - INPUT COMMODITY PRICE AND AVAILABILITY RISK

Sherritt's operations are dependent on sulphur as a key commodity input, and costs and production are sensitive to changes in sulphur prices and availability, over which the Corporation has no control. Sulphur is one of the Corporation's significant commodity inputs and is critical to the hydrometallurgical process used at the Moa JV's mining and processing facility in Cuba and at the Fort Saskatchewan refinery. The price of sulphur is impacted by global supply and demand for sulphur, oil, gas and refining activity and agricultural fertilizer demand. Fluctuations in sulphur prices or a disruption to its availability could materially increase operating costs and, if sulphur cannot be procured on a timely or competitive basis, could adversely affect production at the Moa JV and refinery operations in Fort Saskatchewan. Significant or sustained increases in sulphur costs, or an inability to secure adequate supply, could have a material adverse effect on the Corporation's business, results of operations and financial performance.

For further information on the risks related to the input commodity price and availability of sulphur, refer to Commodity risk in the Corporation’s 2025 Annual Information Form.

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

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

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

Assessing the ability of the Corporation to continue as a going concern requires judgment that includes considering whether conditions or events, including those at any of its investees, joint operations and subsidiaries, impact the going concern assumption. In conducting this assessment, management identified adverse events impacting the Moa Joint Venture and the Energas S.A. joint operation, as well as environmental rehabilitation expenditures for its legacy Spanish Oil and Gas operations, and events regarding compliance with, ongoing accessibility to and ability to repay its revolving-term credit facility (“Credit Facility”). The aforementioned adverse events impact both production and liquidity and result in significant obligations that will require repayment or refinancing. Consequently, the Corporation is required to evaluate the impact of these adverse events on its ability to continue as a going concern.

A material adverse change to the Corporation's business occurred as a result of the issuance of the Executive Order on May 1, 2026 by the United States government expanding sanctions against persons and companies conducting business in Cuba, that gives the administrative agent (on behalf of the lenders) under the Credit Facility agreement the ability to call an event of default and demand repayment of all indebtedness owing under such agreement in the principal amount of $51.9 million including outstanding letters of credit as of November 13, 2026. If a demand for repayment of all or a portion of the current amounts outstanding under the Credit Facility were made, the Corporation’s current cash balance in Canada would be insufficient to pay such amount and the Corporation would be required to seek alternative sources of financing. Borrowings under the Credit Facility are secured by all of the assets and property of the Corporation and its material subsidiaries, and the eligible receivables and inventories of International Cobalt Company Inc., The Cobalt Refinery Company Inc., New Providence Metals Marketing Inc. and New Providence Metals Sales Inc., that form the borrowing base collateral.

In addition, the borrowing base of the Credit Facility on May 31, 2026, June 30, 2026, July 31, 2026, August 31, 2026 and September 30, 2026 was below the then aggregate borrowings including outstanding letters of credit and during the three months ended June 30, 2026 and September 30, 2026, the Corporation was not in compliance with certain covenants, as defined in the Credit Facility agreement. Refer to the Capital resources section of this MD&A for further details on the Credit Facility.

Subsequent to period end, on October 30, 2026, the Corporation did not pay interest of $11.5 million on the Amended Senior Secured Notes that was due and payable. Refer to the Developments subsequent to the quarter section of this MD&A for further details on non-payment of interest on the Amended Senior Secured Notes subsequent to period end. A default in payment of interest will only constitute an event of default under the Amended Senior Secured Notes if it remains outstanding for 30 days.

The Corporation is currently in discussions with its lenders, and some of its noteholders and equity holders to address the issues above and find a comprehensive long-term solution to these matters. The Corporation does not have existing liquidity or alternative financing sources at this time to repay all or a material portion of its indebtedness if it becomes due earlier than its current stated maturity as a result of an acceleration by one or more of its creditors; and while it has had a history of being able to refinance or extend its indebtedness in the past, its ability to do so in the current circumstances remains uncertain and is subject to factors that are outside of the Corporation's control.

The Executive Order on May 1, 2026 expanding sanctions against persons and companies conducting business in Cuba resulted in the Corporation suspending its direct participation in its joint venture activities in Cuba and may also result in financial or other providers being unable or unwilling to continue to support Sherritt's operation or other business activities. Sherritt International Corporation, the legal entity, has not, nor has any of its officers or directors, been sanctioned following issuance of the Executive Order.

The cessation of mining and processing operations and production of mixed sulphides at the Moa JV mine resulting from fuel supply disruption due to the imposition of tariffs by the U.S. on countries that provide oil to Cuba and the impact of the Executive Order, which resulted in the inability to procure other input commodities and supplies in Cuba; the cessation of refining of mixed sulphides into finished nickel and cobalt at the Moa JV refinery due to a lack of feed from the Moa mine; the cessation of dividends from Energas to Sherritt in Canada resulting from a lack of foreign currency availability at the Moa JV due to fuel supply disruption at the Moa JV and the impact of the Executive Order; ongoing volatility in commodity prices for the Corporation's finished products and input commodities; and environmental rehabilitation expenditures for legacy Spanish Oil and Gas operations have adversely impacted the Corporation's financial position.

The Corporation is pursuing numerous initiatives to reduce its costs and enhance its liquidity. Among these initiatives, the Corporation has completed significant cost reduction measures in 2024, 2025 and 2026, including permanent and temporary workforce reductions, operational and capital spending cost reductions and deferrals, reductions in key management personnel and receipt of advance payments from customers at the Moa JV, which are expected to increase the Corporation's liquidity in the next twelve months as the Corporation realizes the full benefit of these measures. In addition, the Corporation completed an equity financing during the nine months ended September 30, 2026, with gross cash proceeds of $43.6 million, which improved the Corporation's liquidity, and the Corporation is currently pursuing additional equity financings. The Corporation is also pursuing debt financing and other financing arrangements and continues to evaluate and pursue additional measures to increase the Corporation's liquidity.

The uncertainties related to the matters described above result in material uncertainty which may cast significant doubt about the Corporation's ability to continue as a going concern. If the Corporation is unable to meet its obligations when due or comply with the terms of its debt agreements, the assumption of preparing these consolidated financial statements on a going concern basis may no longer be appropriate. These condensed consolidated financial statements for the three and nine months ended September 30, 2026 do not reflect any adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary should the going concern assumption be inappropriate, and such adjustments could be material.

The condensed consolidated financial statements have been prepared using the same accounting policies and methods of computation as disclosed in note 2 of the annual consolidated financial statements of the Corporation as at and for the year ended December 31, 2025, except for the adoption of the Amendments to IFRS 9 and IFRS 7, which were adopted effective January 1, 2026. For further information on the adoption of the Amendments to IFRS 9 and IFRS 7, see note 4 of the condensed consolidated financial statements for the three months ended September 30, 2026.

The critical accounting estimates and judgments used in the preparation of the condensed consolidated financial statements are consistent with those disclosed in note 3 of the Corporation's annual consolidated financial statements as at and for the year ended December 31, 2025, except for the critical accounting judgment noted below.

Critical accounting judgment - Going concern

The assessment of the Corporation's ability to continue as a going concern, including its ability to complete financing arrangements, satisfy current and non-current obligations as they become due and comply with the financial covenants pursuant to its arrangements with its lenders involves significant judgment based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Summary of quarterly results

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

$ millions, except per share amounts, for the three months ended	**2026 Sep 30**	2026 Jun 30	2026 Mar 31	2025 Dec 31	2025 Sep 30	2025 Jun 30	2025 Mar 31	2024 Dec 31
Revenue	**$ 39.7**	**$ 59.3**	$ 34.0	$ 55.5	$ 39.7	$ 43.7	$ 38.4	$ 45.7
Share of loss of Moa Joint Venture, net of tax	**(33.6)**	**(17.5)**	(6.3)	(3.5)	(15.7)	(18.7)	(11.4)	(3.4)
Net (loss) earnings from continuing operations	**(79.3)**	**(71.1)**	(9.2)	(15.7)	(19.5)	10.4	(40.6)	(22.5)
Net (loss) earnings for the period	**(79.3)**	**(71.1)**	(9.2)	(15.7)	(19.5)	10.4	(40.6)	(22.5)
Net (loss) earnings per share, basic ($ per share)								
Net (loss) earnings from continuing operations	**$ (0.11)**	**$ (0.10)**	$ (0.02)	$ (0.03)	$ (0.04)	$ 0.02	$ (0.10)	$ (0.06)
Net (loss) earnings	**(0.11)**	**(0.10)**	(0.02)	(0.03)	(0.04)	0.02	(0.10)	(0.06)

In general, net earnings/losses of the Corporation are primarily affected by production and sales volumes, commodity prices, maintenance and operating costs, net finance income/expense and exchange rates. The average Canadian dollar cost to purchase one U.S. dollar for the above quarters ranged from $1.3717 (Q1 2026) to $1.4352 (Q1 2025) and period-end rates ranged between $1.3643 (Q2 2025) to $1.4389 (Q4 2024).

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

- Q3 2026: $26.8 million net non-cash loss on revaluation of the GNC receivable and Energas payable; $5.9 million of legal, consulting and audit fees, which are primarily legal and consulting fees related to the Executive Order and the Gillon Private Placement; a $4.3 million non-cash gain on environmental rehabilitation provisions on legacy Oil and Gas assets in Spain; and a $3.9 million share-based compensation expense;
- Q2 2026: $36.1 million non-cash loss on environmental rehabilitation provisions on legacy Oil and Gas assets in Spain; $6.2 million of legal, consulting and audit fees, which are primarily legal and consulting fees related to the Executive Order and the Gillon Private Placement; and a net non-cash loss on revaluation of the GNC receivable and Energas payable of $6.5 million;
- Q1 2026: $3.7 million non-cash loss on environmental rehabilitation provisions on legacy Oil and Gas assets in Spain and $1.7 million of share-based compensation expense within cost of sales and administrative expenses. The Corporation's net loss includes a net non-cash gain on revaluation of the GNC receivable and Energas payable of $12.3 million pursuant to the Cobalt Swap;
- Q4 2025: $4.4 million non-cash loss on environmental rehabilitation provisions on legacy Oil and Gas assets in Spain and $2.2 million of termination benefits, partially offset by a $1.3 million non-cash gain on revaluation of the GNC receivable and Energas payable pursuant to the Cobalt Swap;
- Q3 2025: $3.6 million of termination benefits related to the Corporation's 10% workforce reduction (Sherritt's share) and $2.4 million loss on natural gas swaps. The Corporation's net loss includes a net non-cash gain on revaluation of the GNC receivable and Energas payable of $5.0 million pursuant to the Cobalt Swap;
- Q2 2025: $32.4 million gain on Debt and Equity Transactions, net of transaction costs, which included $4.9 million of transaction costs on the Debt and Equity Transactions recognized in Q1 2025 that were reclassified to the gain on Debt and Equity Transactions in Q2 2025 and a $2.4 million non-cash gain on environmental rehabilitation provisions on legacy Oil and Gas assets in Spain, partially offset by a $5.3 million non-cash unrealized loss on natural gas swaps and higher consulting services fees. In addition, the Corporation's net earnings include a net non-cash gain on revaluation of the GNC receivable and Energas payable of $3.5 million pursuant to the Cobalt Swap;

- Q1 2025: $15.7 million non-cash loss on environmental rehabilitation provisions on legacy Oil and Gas assets in Spain and $4.9 million of transaction costs as a result of the Corporation's Debt and Equity Transactions. In addition, the Corporation's net loss includes a non-cash unrealized gain of $3.5 million on natural gas swaps and a net non-cash gain on revaluation of the GNC receivable and Energas payable of $1.9 million; and
- Q4 2024: $8.4 million non-cash loss on impairment of intangible assets in the Oil and Gas reportable segment and a $6.9 million non-cash loss on legacy environmental rehabilitation provisions partially offset by a $2.5 million realized gain on nickel put options. In addition, the Corporation's net loss includes a net non-cash gain on revaluation of the GNC receivable and Energas payable of $3.5 million pursuant to the Cobalt Swap.

Off-balance sheet arrangements

As at September 30, 2026, the Corporation had no off-balance sheet arrangements.

Transactions with related parties

The Corporation enters into transactions related to its joint arrangements. For further details, refer to notes 7 and 18 of the Corporation's condensed consolidated financial statements for the three and nine months ended September 30, 2026.

During the nine months ended September 30, 2026, the Corporation issued 1.1 million common shares of the Corporation to key management personnel at a price of $0.21 per common share for gross cash proceeds of $0.2 million. All cash proceeds were received during the nine months ended September 30, 2026 and no amounts are outstanding.

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

Controls and procedures

DISCLOSURE CONTROLS AND PROCEDURES

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

INTERNAL CONTROLS OVER FINANCIAL REPORTING

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

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

As at September 30, 2026, the Corporation's Interim CEO and Interim CFO have certified that the disclosure controls and procedures are effective and that during the three months ended September 30, 2026, the Corporation did not make any material changes in the internal controls over financial reporting that materially affected or are reasonably likely to materially affect the Corporation's internal control over financial reporting.

Supplementary information

SENSITIVITY ANALYSIS

The following table shows the approximate impact on the Corporation's net loss and loss per share from continuing operations for the three months ended September 30, 2026 from a change in selected key variables. The impact is measured changing one variable at a time and may not necessarily be indicative of sensitivities on future results.

Factor		Increase	Approximate change in quarterly net earnings (CAD$ millions) Increase/ (decrease)	Approximate change in quarterly basic earnings per share (EPS) Increase/ (decrease)
Prices[1]				
Fertilizers - price per tonne[2]	$	50.00	3	-
Operating costs[3]				
Natural gas - cost per gigajoule (Moa JV and Fort Site)	$	1.00	(1)	-

(1) Sensitivities for nickel and cobalt prices have not been presented for the three months ended September 30, 2026 given the cessation of refining activities at the Moa JV at the end of June 2026, resulting in negligible sales of finished nickel and cobalt during the three months ended September 30, 2026 and no impact on net earnings from a change in prices.

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

(3) Sensitivities for fuel oil and sulphur have not been presented for the three months ended September 30, 2026 given the cessation of mining and processing activities at the Moa JV at the end of June 2026, resulting in no purchases of these input commodities during the three months ended September 30, 2026 and no impact on net earnings from a change in prices.

INVESTMENT IN MOA JOINT VENTURE

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

Statements of financial position

Canadian $ millions, 100% basis, as at	**2026 September 30**	2025 December 31	Variance	
Assets				
Cash and cash equivalents	**$ 13.5**	$ 25.5	(12.0)	Decrease is primarily due to cash used by operating activities, including the timing of working capital payments and cash held by the Corporate and Other segment primarily for nickel, cobalt and fertilizer receipts and owed to the Moa JV in response to the Executive Order and the Corporation's suspension of its direction participation in the Moa JV. Refer to notes 1 and 18 in the Corporation's condensed consolidated financial statements for the three and nine months ended September 30, 2026.
Trade accounts receivable, net	**176.2**	70.2	106.0	Increase is primarily due to higher accounts receivable from the Corporation resulting from the cash held by the Corporate and Other segment, as noted above.
Inventories	**241.9**	349.9	(108.0)	Decrease is primarily due to lower production volume as a result of fuel disruption in Cuba and the Executive Order and the sale of inventories.
Income taxes receivable	**6.9**	3.3	3.6	
Other current assets	**16.2**	22.2	(6.0)	
Property, plant and equipment	**1,045.5**	1,087.7	(42.2)	Decrease is primarily due to depletion, depreciation and amortization, partially offset by an increase in the U.S. dollar relative to the Canadian dollar.
Deferred income taxes	**68.4**	40.3	28.1	Increase is primarily due to taxable losses at one of the operating companies of the Moa JV.
Other non-current assets	**6.0**	10.2	(4.2)	
Total assets	**1,574.6**	1,609.3	(34.7)	
Liabilities				
Trade accounts payable and accrued liabilities	**226.5**	112.7	113.8	Increase is primarily due to timing of payments to suppliers and higher accounts payable to the Corporation.
Deferred revenue	**-**	28.0	(28.0)	Decrease is primarily due to deliveries of finished inventories for which advance payments from customers were received in 2025.
Income taxes payable	**-**	1.3	(1.3)	
Current loans and borrowings	**42.5**	36.4	6.1	
Other current financial liabilities	**0.7**	0.4	0.3	
Non-current loans and borrowings	**66.5**	93.1	(26.6)	Decrease is primarily due to net repayments of loans and borrowings and reclassification of non-current loans and borrowings to current loans and borrowings.
Other non-current financial liabilities	**1.0**	1.7	(0.7)	
Non-current environmental rehabilitation provisions	**87.3**	94.1	(6.8)	Decrease is primarily due to quarterly update of inflation and discount rates.
Deferred income taxes	**6.8**	8.7	(1.9)	
Total liabilities	**431.3**	376.4	54.9	
Net assets of Moa Joint Venture	**$ 1,143.3**	$ 1,232.9	(89.6)	
Proportion of Sherritt's ownership interest	**50%**	50%		
Total	**571.7**	616.5		
Intercompany capitalized interest elimination	**(43.1)**	(42.2)		
Investment in Moa Joint Venture	**$ 528.6**	$ 574.3		

Foreign currency translation differences are included in the financial information of the Moa JV presented in the financial statements and MD&A, as the Corporation's presentation currency is the Canadian dollar, while the functional currency of certain of the operating companies within the Moa JV is the U.S. dollar. As at September 30, 2026, the period-end U.S. dollar increased in value relative to the Canadian dollar, resulting in higher assets and liabilities reported in Canadian dollars as compared to December 31, 2025.

Statements of comprehensive loss

	For the nine months ended			
	2026	2025		
Canadian $ millions, 100% basis	**September 30**	September 30	Variance	
Revenue	**$ 320.5**	$ 514.0	(193.5)	Decrease is primarily due to lower nickel and cobalt revenue resulting from lower sales volumes, partially offset by higher average realized prices and the sale of MSP to customers.
Cost of sales	**(454.1)**	(578.0)	123.9	Decrease is primarily due to lower nickel and cobalt sales volumes and reduced spending as a result of the Executive Order.
Impairment of property, plant and equipment	**(2.4)**	**-**	(2.4)	
Administrative expenses	**(6.2)**	(8.6)	2.4	Decrease is primarily due to reduced spending to preserve liquidity,
Loss from operations	**(142.2)**	(72.6)	(69.6)	
Financing income	**0.1**	0.4	(0.3)	
Financing expense	**(6.3)**	(21.8)	15.5	Decrease is primarily due to a prior period foreign exchange loss resulting from the strengthening of the average U.S dollar compared to the Canadian dollar as compared to a current period foreign exchange gain resulting from the weakening of the average U.S. dollar compared to the Canadian dollar.
Net finance expense	**(6.2)**	(21.4)	15.2	
Loss before income tax	**(148.4)**	(94.0)	(54.4)	
Income tax recovery (expense)	**28.2**	(4.6)	32.8	Decrease is primarily due to higher taxable losses in the current period as compared to the prior period at one of the operating companies of the Moa Joint Venture.
Net loss and comprehensive loss of Moa Joint Venture	**$ (120.2)**	$ (98.6)	(21.6)	
Proportion of Sherritt's ownership interest	**50%**	50%	-	
Total	**(60.1)**	(49.3)	(10.8)	
Intercompany elimination	**2.7**	3.5	(0.8)	
Share of loss of Moa Joint Venture, net of tax	**$ (57.4)**	$ (45.8)	(11.6)	

For the nine months ended September 30, 2026, Moa JV's revenue was negatively impacted and cost of sales and other expenses were positively impacted by a weaker average U.S. dollar relative to the average Canadian dollar compared to the same periods in the prior year.

Moa JV commitments

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

- Environmental rehabilitation commitments of $136.4 million, with no significant payments due in the next five years;
- Trade accounts payable and accrued liabilities of $113.3 million;
- Loans and borrowings of $54.5 million; and
- Property, plant and equipment commitments of $14.7 million, which includes $1.3 million of property, plant and equipment commitments in 2026 for tailings management, and $13.4 million of commitments for sustaining and growth spending on capital.

NON-GAAP AND OTHER FINANCIAL MEASURES

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

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

Combined revenue

The Corporation uses combined revenue as a measure to help management assess the Corporation's financial performance across its core operations. Combined revenue includes the Corporation's consolidated revenue, less Oil and Gas revenue, and includes the revenue of the Moa JV within the Metals reportable segment on a 50% basis. Revenue of the Moa JV is included in share of earnings/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 nine months ended		
	2026	2025		**2026**	2025	
$ millions	**September 30**	September 30	Change	**September 30**	September 30	Change
Revenue by reportable segment						
Metals[(1)]	**$ 41.2**	$ 94.1	(56%)	**$ 252.5**	$ 332.5	(24%)
Power	**12.7**	13.9	(9%)	**39.8**	35.9	11%
Corporate and Other	**0.2**	0.4	(50%)	**0.5**	1.3	(62%)
Combined revenue	**$ 54.1**	$ 108.4	(50%)	**$ 292.8**	$ 369.7	(21%)
Adjustment for Moa Joint Venture	**(14.4)**	(73.9)		**(160.3)**	(257.0)	
Adjustment for Oil and Gas	**-**	5.2	(100%)	**0.5**	9.1	(95%)
Financial statement revenue	**$ 39.7**	$ 39.7	-	**$ 133.0**	$ 121.8	9%

(1) Revenue of Metals for the three months ended September 30, 2026 is composed of revenue recognized by the Moa JV of $14.4 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 $26.5 million and Metals Marketing of $0.3 million, both of which are included in consolidated revenue (for the three months ended September 30, 2025 - $73.9 million, $19.3 million and $0.9 million, respectively). Revenue of Metals for the nine months ended September 30, 2026 is composed of revenue recognized by the Moa JV of $160.3 million (50% basis), coupled with revenue recognized by Fort Site of $90.5 million and Metals Marketing of $1.7 million (for the nine months ended September 30, 2025 - $257.0 million, $68.0 million and $7.5 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 September 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	**$ (46.2)**	**$ 7.4**	**$ 2.4**	**$ (12.1)**	**$ 7.2**	**$ (41.3)**
Add (deduct):						
Depletion, depreciation and amortization	**2.0**	**0.1**	**-**	**0.1**	**-**	**2.2**
Impairment of property, plant and equipment	**0.9**	**-**	**-**	**-**	**-**	**0.9**
Oil and Gas earnings from operations, net of depletion, depreciation and amortization	**-**	**-**	**(2.4)**	**-**	**-**	**(2.4)**
Adjustments for share of loss of Moa Joint Venture:						
Depletion, depreciation and amortization	**16.4**	**-**	**-**	**-**	**-**	**16.4**
Impairment of property, plant and equipment	**1.2**	**-**	**-**	**-**	**-**	**1.2**
Net finance expense, net of elimination	**-**	**-**	**-**	**-**	**0.9**	**0.9**
Income tax recovery	**-**	**-**	**-**	**-**	**(8.1)**	**(8.1)**
Adjusted EBITDA	**$ (25.7)**	**$ 7.5**	**$ -**	**$ (12.0)**	**$ -**	**$ (30.2)**

$ millions, for the three months ended September 30	2025					
	Metals[1]	Power	Oil and Gas	Corporate and Other	Adjustment for Moa Joint Venture	Total
(Loss) earnings from operations and joint venture per financial statements	$ (14.4)	$ 8.6	$ 0.5	$ (6.2)	$ (1.1)	$ (12.6)
Add (deduct):						
Depletion, depreciation and amortization	2.4	0.5	0.1	0.2	-	3.2
Oil and Gas earnings from operations, net of depletion, depreciation and amortization	-	-	(0.6)	-	-	(0.6)
Adjustments for share of loss of Moa Joint Venture:						
Depletion, depreciation and amortization	10.5	-	-	-	-	10.5
Net finance expense, net of elimination	-	-	-	-	0.7	0.7
Income tax expense	-	-	-	-	0.4	0.4
Adjusted EBITDA	$ (1.5)	$ 9.1	$ -	$ (6.0)	$ -	$ 1.6

$ millions, for the nine months ended September 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	**$ (70.3)**	**$ 24.6**	**$ (43.1)**	**$ (31.1)**	**$ 13.8**	**$ (106.1)**
Add (deduct):						
Depletion, depreciation and amortization	**7.3**	**1.3**	**0.1**	**0.3**	**-**	**9.0**
Impairment of property, plant and equipment	**0.9**	**-**	**-**	**-**	**-**	**0.9**
Oil and Gas loss from operations, net of depletion, depreciation and amortization	**-**	**-**	**43.0**	**-**	**-**	**43.0**
Adjustments for share of loss of Moa Joint Venture:						
Depletion, depreciation and amortization	**41.2**	**-**	**-**	**-**	**-**	**41.2**
Impairment of property, plant and equipment	**1.2**	**-**	**-**	**-**	**-**	**1.2**
Net finance expense, net of elimination	**-**	**-**	**-**	**-**	**0.2**	**0.2**
Income tax recovery	**-**	**-**	**-**	**-**	**(14.0)**	**(14.0)**
Adjusted EBITDA	**$ (19.7)**	**$ 25.9**	**$ -**	**$ (30.8)**	**$ -**	**$ (24.6)**

$ millions, for the nine months ended September 30	2025					
	Metals[2]	Power	Oil and Gas	Corporate and Other	Adjustment for Moa Joint Venture	Total
(Loss) earnings from operations and joint venture per financial statements	$ (30.4)	$ 15.6	$ (18.5)	$ (21.3)	$ (9.2)	$ (63.8)
Add (deduct):						
Depletion, depreciation and amortization	7.4	1.9	0.1	0.6	-	10.0
Oil and Gas loss from operations, net of depletion, depreciation and amortization	-	-	18.4	-	-	18.4
Adjustments for share of loss of Moa Joint Venture:						
Depletion, depreciation and amortization	34.8	-	-	-	-	34.8
Net finance expense, net of elimination	-	-	-	-	6.9	6.9
Income tax expense	-	-	-	-	2.3	2.3
Adjusted EBITDA	$ 11.8	$ 17.5	$ -	$ (20.7)	$ -	$ 8.6

(1) Adjusted EBITDA of Metals for the three months ended September 30, 2026 is composed of Adjusted EBITDA at Moa JV of $(23.1) million (50% basis), Adjusted EBITDA at Fort Site of $(2.4) million and Adjusted EBITDA at Metals Marketing of $(0.2) million (for the three months ended September 30, 2025 - $(4.1) million, $3.4 million and $(0.8) million, respectively).

(2) Adjusted EBITDA of Metals for the nine months ended September 30, 2026 is composed of Adjusted EBITDA at Moa JV of $(28.6) million (50% basis), Adjusted EBITDA at Fort Site of $10.7 million and Adjusted EBITDA at Metals Marketing of $(1.8) million (for the nine months ended September 30, 2025 - $(1.8) million, $16.7 million and $(3.1) 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 September 30	**2026**						
	Metals						
	Nickel	Cobalt	Fertilizer	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Revenue per financial statements	**$ 3.9**	**$ 0.3**	**$ 22.2**	**$ 12.7**	**$ 15.0**	**$ (14.4)**	**$ 39.7**
Adjustments to revenue:							
Frequency control, by-product and other revenue	**-**	**-**	**-**	**(3.7)**			
Revenue for purposes of average-realized price calculation	**3.9**	**0.3**	**22.2**	**9.0**			
Sales volume for the period	**0.4**	**0.0**	**38.8**	**169**			
Volume units	Millions of pounds	Millions of pounds	Thousands of tonnes	Gigawatt hours			
Average-realized price[2][3][4]	**$ 11.25**	**$ 35.30**	**$ 573.14**	**$ 53.14**			

$ millions, except average-realized price and sales volume, for the three months ended September 30	2025						
	Metals						
	Nickel	Cobalt	Fertilizer	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Revenue per financial statements	$ 56.9	$ 10.7	$ 14.5	$ 13.9	$ 17.6	$ (73.9)	$ 39.7
Adjustments to revenue:							
Frequency control, by-product and other revenue	-	-	-	(1.2)			
Revenue for purposes of average-realized price calculation	56.9	10.7	14.5	12.7			
Sales volume for the period	6.0	0.6	27.9	243			
Volume units	Millions of pounds	Millions of pounds	Thousands of tonnes	Gigawatt hours			
Average-realized price[2][3][4]	$ 9.42	$ 18.52	$ 517.25	$ 52.33			

$ millions, except average-realized price and sales volume, for the nine months ended September 30	**2026**						
	Metals						
	Nickel	Cobalt	Fertilizer	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Revenue per financial statements	**$ 99.5**	**$ 27.7**	**$ 72.5**	**$ 39.8**	**$ 53.8**	**$ (160.3)**	**$ 133.0**
Adjustments to revenue:							
Frequency control, by-product and other revenue	**-**	**-**	**-**	**(9.0)**			
Revenue for purposes of average-realized price calculation	**99.5**	**27.7**	**72.5**	**30.8**			
Sales volume for the period	**9.1**	**0.8**	**118.5**	**585**			
Volume units	Millions of pounds	Millions of pounds	Thousands of tonnes	Gigawatt hours			
Average-realized price[2][3][4]	**$ 10.95**	**$ 33.56**	**$ 611.78**	**$ 52.58**			

$ millions, except average-realized price and sales volume, for the nine months ended September 30	2025						
	Metals						
	Nickel	Cobalt	Fertilizer	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Revenue per financial statements	$ 201.2	$ 39.3	$ 60.4	$ 35.9	$ 42.0	$ (257.0)	$ 121.8
Adjustments to revenue:							
Frequency control, by-product and other revenue	-	-	-	(4.7)			
Revenue for purposes of average-realized price calculation	201.2	39.3	60.4	31.2			
Sales volume for the period	20.8	2.4	105.7	589			
Volume units	Millions of pounds	Millions of pounds	Thousands of tonnes	Gigawatt hours			
Average-realized price[2][3][4]	$ 9.67	$ 16.23	$ 571.57	$ 53.04			

(1) Other revenue includes other revenue from the Metals reportable segment, revenue from the Oil and Gas reportable segment, a non-core reportable segment, and revenue from the Corporate and Other reportable segment.

(2) Average-realized price may not calculate exactly based on amounts presented due to foreign exchange and rounding.

(3) Power, average-realized price per MWh.

(4) Fertilizer, average-realized price per tonne.

Unit operating cost/NDCC

With the exception of Metals, which uses NDCC, unit operating cost is generally calculated by dividing cost of sales as reported in the financial statements, less depreciation, depletion and amortization in cost of sales, the impact of impairment losses 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 September 30	**2026**				
	Metals	Power	Other[1]	Adjustment for Moa Joint	Total
Cost of sales per financial statements	**$ 84.3**	**$ 2.5**	**$ (2.4)**	**$ (53.0)**	**$ 31.4**
Less:					
Depletion, depreciation and amortization in cost of sales	**(18.4)**	**-**			
	65.9	**2.5**			
Adjustments to cost of sales:					
Cobalt by-product revenue - Moa JV and Cobalt Swap	**(0.3)**	**-**			
Fertilizer by-product revenue	**(22.2)**	**-**			
Other revenue	**(14.8)**	**-**			
Royalties/territorial contributions and other non-cash costs[2]	**(5.3)**	**-**			
Changes in inventories and other adjustments[3]	**4.9**	**-**			
Cost of sales for purposes of unit cost calculation	**28.2**	**2.5**			
Sales volume for the period	**0.4**	**169**			
Volume units	Millions of pounds	Gigawatt hours			
Unit operating cost[4][5]	**$ 80.11**	**$ 14.43**			
Unit operating cost (US$ per pound) (NDCC)[6][7]	**$ 56.68**				

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

$ millions, except unit cost and sales volume, for the nine months ended September 30	2026				
	Metals	Power	Other[1]	Adjustment for Moa Joint	Total
Cost of sales per financial statements	**$ 316.8**	**$ 9.7**	**$ 43.6**	**$ (227.1)**	**$ 143.0**
Less:					
Depletion, depreciation and amortization in cost of sales	**(48.5)**	**(1.0)**			
	268.3	**8.7**			
Adjustments to cost of sales:					
Cobalt by-product revenue - Moa JV and Cobalt Swap	**(27.7)**	**-**			
Fertilizer by-product revenue	**(72.5)**	**-**			
Other revenue	**(52.8)**	**-**			
Realized loss on natural gas swaps	**0.6**	**-**			
Royalties/territorial contributions and other non-cash costs[2]	**(12.6)**	**-**			
Changes in inventories and other adjustments[3]	**10.4**	**-**			
Cost of sales for purposes of unit cost calculation	**113.7**	**8.7**			
Sales volume for the period	**9.1**	**585**			
Volume units	Millions of pounds	Gigawatt hours			
Unit operating cost[4][5]	**$ 12.51**	**$ 14.90**			
Unit operating cost (US$ per pound) (NDCC)[6][7]	**$ 9.02**				

$ millions, except unit cost and sales volume, for the nine months ended September 30	2025				
	Metals	Power	Other[1]	Adjustment for Moa Joint	Total
Cost of sales per financial statements	$ 356.0	$ 15.3	$ 28.9	$ (289.0)	$ 111.2
Less:					
Depletion, depreciation and amortization in cost of sales	(42.2)	(1.5)			
	313.8	13.8			
Adjustments to cost of sales:					
Cobalt by-product revenue - Moa JV and Cobalt Swap	(39.3)	-			
Fertilizer by-product revenue	(60.4)	-			
Other revenue	(31.6)	-			
Cobalt loss	0.3	-			
Realized loss on natural gas swaps	2.0	-			
Royalties/territorial contributions and other non-cash costs[2]	(16.2)	-			
Changes in inventories and other adjustments[3]	4.5	-			
Cost of sales for purposes of unit cost calculation	173.1	13.8			
Sales volume for the period	20.8	589			
Volume units	Millions of pounds	Gigawatt hours			
Unit operating cost[4][5]	$ 8.32	$ 23.27			
Unit operating cost (US$ per pound) (NDCC)[6]	$ 5.95				

(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.

(7) NDCC for the three and nine months ended September 30, 2026 are not meaningful measures of operating performance due to the incurrence of stand-by costs and allocation of fixed costs over significantly lower nickel sales volumes due to the cessation of refining activities in late Q2 2026.

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:

		2026		2025
For the three months ended September 30	**$ millions**	**$/share**	$ millions	$/share
Net loss from continuing operations	**$ (79.3)**	**$ (0.11)**	$ (19.5)	$ (0.04)
Adjusting items:				
Sherritt - Unrealized foreign exchange (gain) loss - continuing operations	**(0.1)**	**-**	0.9	-
Sherritt's share - Termination benefits related to workforce reduction	**-**	**-**	3.6	0.01
Corporate and Other - Realized loss on nickel put options	**1.0**	**-**	-	-
Corporate and Other - Unrealized gain on nickel put options	**(0.6)**	**-**	-	-
Metals - Moa JV - Impairment of property, plant and equipment	**1.2**	**-**	-	-
Metals - Moa JV - Inventory write-down/obsolescence	**3.1**	**-**	2.2	-
Metals - Fort Site - Unrealized gain on natural gas swaps	**-**	**-**	(0.6)	-
Metals - Fort Site - Realized loss on natural gas swaps	**-**	**-**	2.4	0.01
Metals - Fort Site - Inventory write-down	**1.1**	**-**	0.2	-
Metals - Fort Site - Impairment of property, plant and equipment	**0.9**	**-**	-	-
Power - Loss (gain) on revaluation of GNC receivable	**40.4**	**0.06**	(5.1)	(0.01)
Power - Gain on revaluation of Energas payable	**(13.6)**	**(0.02)**	0.1	-
Oil and Gas - Net earnings from continuing operations, net of unrealized foreign exchange gain/loss	**(2.5)**	**-**	(0.6)	-
Total adjustments, before tax	**$ 30.9**	**$ 0.04**	$ 3.1	$ 0.01
Tax adjustments	**(2.5)**	**-**	0.9	-
Adjusted net loss from continuing operations	**$ (50.9)**	**$ (0.07)**	$ (15.5)	$ (0.03)

For the nine months ended September 30	2026 $ millions	2026 $/share	2025 $ millions	2025 $/share
Net loss from continuing operations	**$ (159.6)**	**$ (0.25)**	$ (49.7)	$ (0.11)
Adjusting items:				
Sherritt - Unrealized foreign exchange loss - continuing operations	**1.0**	**-**	-	-
Sherritt's share - Termination benefits related to restructuring and workforce reduction	**-**	**-**	3.6	0.01
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	**2.4**	**-**	-	-
Corporate and Other - Unrealized gain on nickel put options	**(0.1)**	**-**	-	-
Metals - Moa JV - Impairment of property, plant and equipment	**1.2**	**-**	-	-
Metals - Moa JV - Inventory write-down/obsolescence	**3.5**	**0.01**	2.7	0.01
Metals - Moa JV - Cobalt loss	**-**	**-**	0.3	-
Metals - Fort Site - Inventory write-down	**1.1**	**-**	0.2	-
Metals - Fort Site - Unrealized loss on natural gas swaps	**0.6**	**-**	1.2	-
Metals - Fort Site - Realized gain on natural gas swaps	**(0.6)**	**-**	2.0	-
Metals - Fort Site - Impairment of property, plant and equipment	**0.9**	**-**	-	-
Power - Loss (gain) on revaluation of GNC receivable	**30.5**	**0.05**	(13.3)	(0.03)
Power - (Gain) loss on revaluation of Energas payable	**(9.5)**	**(0.02)**	2.9	0.01
Oil and Gas - Net loss from continuing operations, net of unrealized foreign exchange gain/loss	**43.3**	**0.07**	18.8	0.04
Total adjustments, before tax	**$ 74.3**	**$ 0.11**	$ (14.0)	$ (0.03)
Tax adjustments	**(2.3)**	**-**	0.4	-
Adjusted net loss from continuing operations	**$ (87.6)**	**$ (0.14)**	$ (63.3)	$ (0.14)

Combined spending on capital

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

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

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

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

$ millions, for the three months ended September 30	**2026**					
	Metals	Power	Other[1]	Combined total	Adjustment for Moa Joint Venture	Total derived from financial statements
Property, plant and equipment expenditures[2]	**$ 0.9**	**$ -**	**$ -**	**$ 0.9**	**$ (0.8)**	**$ 0.1**
	0.9	**-**	**-**	**0.9**	**$ (0.8)**	**$ 0.1**
Adjustments:						
Accrual adjustment	**0.1**	**-**	**-**	**0.1**		
Spending on capital	**$ 1.0**	**$ -**	**$ -**	**$ 1.0**		

$ millions, for the three months ended September 30						2025
	Metals	Power	Other[1]	Combined total	Adjustment for Moa Joint Venture	Total derived from financial statements
Property, plant and equipment expenditures[2]	$ 8.7	$ 0.2	$ -	$ 8.9	$ (6.2)	$ 2.7
	8.7	0.2	-	8.9	$ (6.2)	$ 2.7
Adjustments:						
Accrual adjustment	5.7	-	-	5.7		
Spending on capital	$ 14.4	$ 0.2	$ -	$ 14.6		

$ millions, for the nine months ended September 30						**2026**
	Metals	Power	Other[1]	Combined total	Adjustment for Moa Joint Venture	Total derived from financial statements
Property, plant and equipment expenditures[2]	**$ 8.1**	**$ 0.3**	**$ -**	**$ 8.4**	**$ (8.0)**	**$ 0.4**
	8.1	**0.3**	**-**	**8.4**	**$ (8.0)**	**$ 0.4**
Adjustments:						
Accrual adjustment	**0.1**	**-**	**-**	**0.1**		
Spending on capital	**$ 8.2**	**$ 0.3**	**$ -**	**$ 8.5**		

$ millions, for the nine months ended September 30						2025
	Metals	Power	Other[1]	Combined total	Adjustment for Moa Joint Venture	Total derived from financial statements
Property, plant and equipment expenditures[2]	$ 32.8	$ 1.1	$ 0.1	$ 34.0	$ (23.8)	$ 10.2
	32.8	1.1	0.1	34.0	$ (23.8)	$ 10.2
Adjustments:						
Accrual adjustment	11.8	-	-	11.8		
Spending on capital	$ 44.6	$ 1.1	$ 0.1	$ 45.8		

(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 September 30	**2026**						
	Metals[1][2]	Power	Oil and Gas	Corporate and Other	**Combined total**	Adjustment for Moa Joint Venture	**Total derived from financial statement**
Cash (used) provided by continuing operations for operating activities	**$ (32.5)**	**$ 0.8**	**$ (4.0)**	**$ 20.4**	**$ (15.3)**	**$ (4.6)**	**$ (19.9)**
Less:							
Property, plant and equipment expenditures	**(0.9)**	**-**	**-**	**-**	**(0.9)**	**0.8**	**(0.1)**
Free cash flow	**$ (33.4)**	**$ 0.8**	**$ (4.0)**	**$ 20.4**	**$ (16.2)**	**$ (3.8)**	**$ (20.0)**

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

$ millions, for the nine months ended September 30	**2026**						
	Metals[3][4]	Power	Oil and Gas	Corporate and Other	**Combined total**	Adjustment for Moa Joint Venture	**Total derived from financial statement**
Cash (used) provided by continuing operations for operating activities	**$ (60.4)**	**$ 36.5**	**$ (7.1)**	**$ 53.5**	**$ 22.5**	**$ (16.6)**	**$ 5.9**
Less:							
Property, plant and equipment expenditures	**(8.1)**	**(0.3)**	**-**	**-**	**(8.4)**	**8.0**	**(0.4)**
Free cash flow	**$ (68.5)**	**$ 36.2**	**$ (7.1)**	**$ 53.5**	**$ 14.1**	**$ (8.6)**	**$ 5.5**

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

(1) Cash provided (used) by continuing operations for operating activities for the Moa JV, Fort Site and Metals Marketing was $4.6 million, $(35.7) million and $(1.4) million, respectively, for the three months ended September 30, 2026 (September 30, 2025 - $(17.6) million, $10.5 million and $(2.1) million, respectively).

(2) Property, plant and equipment expenditures and intangible expenditures for the Moa JV, Fort Site and Metals Marketing was $(0.7) million, $(0.2) million and nil, respectively, for the three months ended September 30, 2026 (September 30, 2025 - $6.2 million, $2.5 million and nil, respectively).

(3) Cash provided (used) by continuing operations for operating activities for the Moa JV, Fort Site and Metals Marketing was $16.6 million, $(83.7) million and $6.7 million, respectively, for the nine months ended September 30, 2026 (September 30, 2025 - $(2.9) million, $28.1 million and $7.5 million, respectively).

(4) Property, plant and equipment expenditures and intangible expenditures for the Moa JV, Fort Site and Metals Marketing was $(7.9) million, $(0.2) million and nil, respectively, for the nine months ended September 30, 2026 (September 30, 2025 - $23.8 million, $9.0 million and nil, respectively).

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements, which can generally be identified by words such as "believe", "expect", "anticipate", "intend", "plan", "may", "will", "could", "should", "potential", "continue" or similar words or phrases. These include statements about: the duration of the cessation of mining, processing and refining operations at Moa Nickel and the Fort Saskatchewan refinery, the receipt and timing of further OFAC licenses, the timing and ability to secure fuel and other inputs in Cuba following the Executive Order, the resumption of full operations and the timing of updated 2026 guidance; the impact of supply disruption on production, sales volumes, revenue, costs and earnings; measures to preserve liquidity, including managing expenditures, exploring temporary funding support and strengthening the Corporation's capital structure; the amount and timing of dividend distributions from the Moa JV (including under the Cobalt Swap) and Energas; the auditor transition; and the Gillon Private Placement, including its terms and timing, completion of due diligence and negotiation of a definitive agreement during the exclusivity period, resolution of legal, regulatory and commercial complexities, and receipt of required approvals.

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 MD&A not to place undue reliance on any forward-looking statement as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements. These risks, uncertainties and other factors include, but are not limited to, 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 and nine months ended September 30, 2026 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 this MD&A and in the Corporation's other documents filed with the Canadian securities authorities should be read for a description of certain factors that could cause the actual results of the Corporation to differ materially from those in the oral forward-looking statements. The forward-looking information and statements contained in this MD&A are made as of the date hereof and the Corporation undertakes no obligation to update publicly or revise any oral or written forward-looking information or statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. The forward-looking information and statements contained herein are expressly qualified in their entirety by this cautionary statement.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2026 and 2025 and as at September 30, 2026 and December 31, 2025

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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Notice of no auditor review of condensed consolidated financial statements

The accompanying unaudited condensed consolidated financial statements of the Corporation have been prepared by and are the responsibility of management.

The Corporation currently has no independent auditor and no review of these condensed consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor has been performed.

Condensed consolidated statements of comprehensive loss

Unaudited, Canadian $ millions, except per share amounts	Note	For the three months ended **2026 September 30**	2025 September 30	For the nine months ended **2026 September 30**	2025 September 30
Revenue	5	**$ 39.7**	$ 39.7	**$ 133.0**	$ 121.8
Cost of sales	6	**(31.4)**	(28.1)	**(143.0)**	(111.2)
Administrative expenses	6	**(15.1)**	(8.5)	**(37.8)**	(28.6)
Impairment of property, plant and equipment		**(0.9)**	-	**(0.9)**	-
Share of loss of Moa Joint Venture, net of tax	7	**(33.6)**	(15.7)	**(57.4)**	(45.8)
Loss from operations and joint venture		**(41.3)**	(12.6)	**(106.1)**	(63.8)
Gain on Debt and Equity Transactions, net of transaction costs	8	**-**	-	**-**	32.4
Interest income on financial assets measured at amortized cost	8	**0.1**	0.1	**0.6**	0.5
Other financing items	8	**(29.6)**	3.3	**(25.4)**	9.0
Financing expense	8	**(7.6)**	(8.9)	**(25.4)**	(25.8)
Net finance (expense) income		**(37.1)**	(5.5)	**(50.2)**	16.1
Loss before income tax		**(78.4)**	(18.1)	**(156.3)**	(47.7)
Income tax expense		**(0.9)**	(1.4)	**(3.3)**	(2.0)
Net loss from continuing operations		**(79.3)**	(19.5)	**(159.6)**	(49.7)
Loss from discontinued operations, net of tax		**-**	-	**-**	(0.2)
Net loss for the period		**$ (79.3)**	$ (19.5)	**$ (159.6)**	$ (49.9)
Other comprehensive (loss) income					
Items that may be subsequently reclassified to profit or loss:					
Foreign currency translation differences on foreign operations, net of tax		**-**	10.7	**18.8**	(26.0)
Items that will not be subsequently reclassified to profit or loss:					
Actuarial (losses) gains on pension plans, net of tax		**(0.3)**	0.1	**(0.3)**	-
Other comprehensive (loss) income		**(0.3)**	10.8	**18.5**	(26.0)
Total comprehensive loss		**$ (79.6)**	$ (8.7)	**$ (141.1)**	$ (75.9)
Net loss from continuing operations per common share:					
Basic and diluted	9	**$ (0.11)**	$ (0.04)	**$ (0.25)**	$ (0.11)
Net loss per common share:					
Basic and diluted	9	**$ (0.11)**	$ (0.04)	**$ (0.25)**	$ (0.11)

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

Condensed consolidated statements of financial position

Unaudited, Canadian $ millions, as at	Note	2026 September 30	2025 December 31
ASSETS			
Current assets			
Cash and cash equivalents	10	**$ 167.0**	$ 124.9
Advances, loans receivable and other financial assets	11	**0.5**	0.7
Trade accounts receivable, net	10	**106.9**	99.9
Inventories		**40.8**	37.8
Prepaid expenses		**25.5**	11.3
		340.7	274.6
Non-current assets			
Investment in Moa Joint Venture	7	**528.6**	574.3
Advances, loans receivable and other financial assets	11	**187.9**	218.4
Property, plant and equipment		**133.1**	151.7
Intangible assets		**6.3**	6.4
Other non-financial assets		**0.6**	0.8
Deferred income taxes		**1.1**	1.1
		857.6	952.7
Total assets		**$ 1,198.3**	$ 1,227.3
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Loans and borrowings	12	**$ 70.9**	$ 79.6
Trade accounts payable and accrued liabilities		**250.0**	181.8
Other financial liabilities	12	**8.3**	6.0
Deferred revenue		**3.4**	10.9
Provisions	14	**21.2**	5.3
Income taxes payable		**1.3**	1.0
		355.1	284.6
Non-current liabilities			
Loans and borrowings	12	**238.4**	236.4
Other financial liabilities	12	**68.3**	82.6
Other non-financial liabilities		**2.8**	5.2
Provisions	14	**119.2**	105.7
Deferred income taxes		**1.1**	1.0
		429.8	430.9
Total liabilities		**784.9**	715.5
Shareholders' equity			
Capital stock	17	**2,951.4**	2,908.8
Deficit		**(3,197.7)**	(3,038.1)
Reserves		**235.3**	235.2
Accumulated other comprehensive income		**424.4**	405.9
		413.4	511.8
Total liabilities and shareholders' equity		**$ 1,198.3**	$ 1,227.3

Commitments for property, plant and equipment expenditures (note 15)

Subsequent events (note 19)

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

Condensed consolidated statements of cash flow

Unaudited, Canadian $ millions	Note	For the three months ended **2026 September 30**	2025 September 30	For the nine months ended **2026 September 30**	2025 September 30
Operating activities					
Net loss from continuing operations		**$ (79.3)**	$ (19.5)	**$ (159.6)**	$ (49.7)
Add (deduct) non-cash items:					
Finished cobalt cost of sales	6	**-**	-	**-**	4.7
Depletion, depreciation and amortization	5, 6	**2.2**	3.2	**9.0**	10.0
Share-based compensation expense	6	**3.9**	0.5	**5.9**	1.5
Share of loss of Moa Joint Venture, net of tax	7	**33.6**	15.7	**57.4**	45.8
Inventory write-down/obsolescence	6	**1.1**	0.2	**1.1**	0.2
Net finance expense (income)	8	**37.1**	5.5	**50.2**	(16.1)
Income tax expense		**0.9**	1.4	**3.3**	2.0
Impairment of property, plant, and equipment		**0.9**	-	**0.9**	-
(Gain) loss on environmental rehabilitation provisions	6	**(4.3)**	-	**35.5**	13.3
Net change in non-cash working capital	16	**(12.9)**	(0.4)	**27.2**	21.9
Interest received		**0.5**	0.2	**0.9**	1.0
Interest paid		**(1.5)**	(1.4)	**(15.8)**	(13.1)
Income taxes paid		**(1.4)**	-	**(2.9)**	(2.1)
Proceeds from Cobalt Swap	5	**-**	-	**-**	6.2
Share-based compensation payments		**(0.2)**	(0.1)	**(3.0)**	(1.4)
Liabilities settled for environmental rehabilitation provisions		**-**	-	**-**	(12.1)
Net (payments on) proceeds from natural gas swaps	10	**-**	(2.4)	**0.6**	(2.0)
Purchase of nickel put options	11	**-**	-	**(2.4)**	-
Other operating items		**(0.5)**	(0.4)	**(2.4)**	(1.0)
Cash (used) provided by continuing operations		**(19.9)**	2.5	**5.9**	9.1
Cash used by discontinued operations		**-**	(0.1)	**-**	(0.2)
Cash (used) provided by operating activities		**(19.9)**	2.4	**5.9**	8.9
Investing activities					
Property, plant and equipment expenditures	5	**(0.1)**	(2.7)	**(0.4)**	(10.2)
Receipts of advances, loans receivable and other financial assets		**-**	0.2	**-**	0.8
Decrease in restricted cash		**-**	-	**-**	1.1
Proceeds from sale of property, plant and equipment		**-**	-	**0.4**	-
Cash used by continuing operations		**(0.1)**	(2.5)	**-**	(8.3)
Cash used by investing activities		**(0.1)**	(2.5)	**-**	(8.3)
Financing activities					
Net repayment of loans and borrowings	12	**(16.6)**	-	**(9.8)**	-
Proceeds from issuance of common shares, net of transaction costs	17	**-**	-	**42.5**	-
Fees paid on Debt and Equity Transactions		**-**	(3.0)	**-**	(15.9)
Repayment of other financial liabilities		**(0.1)**	(0.5)	**(0.5)**	(6.5)
Cash (used) provided by continuing operations		**(16.7)**	(3.5)	**32.2**	(22.4)
Cash (used) provided by financing activities		**(16.7)**	(3.5)	**32.2**	(22.4)
Effect of exchange rate changes on cash and cash equivalents		**(0.1)**	2.2	**4.0**	(3.7)
(Decrease) increase in cash and cash equivalents		**(36.8)**	(1.4)	**42.1**	(25.5)
Cash and cash equivalents at beginning of the period		**203.8**	121.6	**124.9**	145.7
Cash and cash equivalents at end of the period	10	**$ 167.0**	$ 120.2	**$ 167.0**	$ 120.2

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

Condensed consolidated statements of changes in shareholders' equity

Unaudited, Canadian $ millions

	Note	Capital stock	Deficit	Reserves	Accumulated other comprehensive income	Total
Balance as at December 31, 2024		**$ 2,894.9**	**$ (2,972.4)**	**$ 234.9**	**$ 440.0**	**$ 597.4**
Total comprehensive loss:						
Net loss for the period		-	(49.9)	-	-	(49.9)
Foreign currency translation differences on foreign operations, net of tax		-	-	-	(26.0)	(26.0)
		-	(49.9)	-	(26.0)	(75.9)
Stock option plan expense		-	-	0.2	-	0.2
Issuance of common shares	17	13.9	-	-	-	13.9
Balance as at September 30, 2025		**$ 2,908.8**	**$ (3,022.3)**	**$ 235.1**	**$ 414.0**	**$ 535.6**
Total comprehensive loss:						
Net loss for the period		-	(15.8)	-	-	(15.8)
Foreign currency translation differences on foreign operations, net of tax		-	-	-	(7.8)	(7.8)
Actuarial losses on pension plans, net of tax		-	-	-	(0.3)	(0.3)
		-	(15.8)	-	(8.1)	(23.9)
Stock option plan expense		-	-	0.1	-	0.1
Balance as at December 31, 2025		**$ 2,908.8**	**$ (3,038.1)**	**$ 235.2**	**$ 405.9**	**$ 511.8**
Total comprehensive loss:						
Net loss for the period		-	(159.6)	-	-	(159.6)
Foreign currency translation differences on foreign operations, net of tax		-	-	-	18.8	18.8
Actuarial losses on pension plans, net of tax		-	-	-	(0.3)	(0.3)
		-	(159.6)	-	18.5	(141.1)
Stock option plan expense		-	-	0.1	-	0.1
Issuance of common shares, net of transaction costs	17	42.5	-	-	-	42.5
Stock options exercised	17	0.1	-	-	-	0.1
Balance as at September 30, 2026		**$ 2,951.4**	**$ (3,197.7)**	**$ 235.3**	**$ 424.4**	**$ 413.4**

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

Notes to the condensed consolidated financial statements

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

1. NATURE OF OPERATIONS AND CORPORATE INFORMATION

Sherritt International Corporation ("Sherritt" or "the Corporation") mines, processes and refines mixed sulphides into finished nickel and cobalt, producing fertilizers as a by-product, and processes raw natural gas to generate electricity.

Sherritt is a corporation governed by the Canada Business Corporations Act ("CBCA"), domiciled in Ontario, Canada and its registered office is 200 Bay Street, Suite 1302, South Tower, Royal Bank Plaza, Toronto, Ontario, M5J 2J1. These condensed consolidated financial statements were approved and authorized for issuance by the Board of Directors on November 13, 2026. The Corporation is listed on the Toronto Stock Exchange under the symbol "S".

On May 1, 2026, the U.S. administration issued an Executive Order ("Executive Order" or "E.O. 14404") expanding its sanctions against Cuba, authorizing the imposition of property-blocking sanctions against persons, including companies outside of Cuba, determined to operate or have operated in certain sectors of the Cuban economy, including the metals and mining and energy sectors, determined to own or control persons whose property is blocked under the order, or determined to have materially assisted or provided goods, services or support, including financial support, to persons (including the Government of Cuba and its agencies) whose property is blocked under the order. Sherritt International Corporation, the legal entity, has not, nor has any of its officers or directors, been formally designated under the Executive Order. However, such a designation could occur at any time and such an event may also result in financial or other providers being unable or unwilling to continue to support Sherritt's operation or other business activities.

Further, on May 7, 2026, the U.S. Secretary of State redesignated Moa Nickel S.A. ("Moa Nickel"), the Cuban joint venture in which Sherritt holds a 50 percent interest, to the List of Specially Designated Nationals and Blocked Persons ("SDN List") maintained by the U.S. Department of the Treasury's Office of Foreign Assets Control pursuant to E.O. 14404. Moa Nickel was already designated to the SDN List pursuant to existing Cuba-related authorities. The designation of Moa Nickel, as well as Sherritt's now-suspended operations in the Cuba metals and mining sector, provide a basis on which Sherritt itself could be at risk for designation for property-blocking sanctions under E.O. 14404. In any event, the mere issuance of the Executive Order itself creates conditions that materially alter the Corporation's ability to operate in the ordinary course, including activities related to Sherritt's Cuban joint arrangements, the Moa Joint Venture ("Moa JV") and Energas.

Following consultation with its advisors, Sherritt suspended its direct participation in joint venture activities in Cuba, effective May 7, 2026. Sherritt continues to consult with its advisors and stakeholders as it assesses the implications of the Executive Order. Mining and processing operations at the mine in Moa, Cuba and refining operations at the refinery in Fort Saskatchewan, Alberta both ceased in late June 2026. Refinery operations have ceased until such time that mining and processing activities at Moa resume and the refinery feed pipeline is rebuilt. The Corporation continued to produce fertilizers and sulphuric acid at Fort Site and fertilizers at the Moa Joint Venture during the three months ended September 30, 2026.

Subsequent to period end, on October 19, 2026, the Corporation received a specific license (the "Fuel License") from the United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") authorizing the purchase and delivery of fuel, fuel oil, and sulphur to Sherritt's Moa Nickel mining and processing operations in Cuba, which forms part of the Moa JV, as well as the procurement of related ancillary services. The Fuel License is the first of a series of anticipated OFAC emergency licenses that will be necessary for Sherritt to be able to restart mining and processing operations at Moa Nickel as well as further refining operations in Canada. There is no guarantee that OFAC will issue any further such anticipated licenses.

The Fuel License authorizes the sale, transportation, export, delivery and payment for fuel, fuel oil, and sulfur to Moa Nickel, together with all related services. The authorization extends to the Corporation's licensed fuel supplier and persons acting on their behalf (including banks and vessel operators), as well as other necessary insurance or ancillary service providers (the "Covered Participants").

In connection with the Fuel License, Sherritt entered into an interim consent agreement dated as of September 23, 2026 (the "Agreement") with Moa Bay Mining Co. ("Moa Bay"), the holder of a certified claim relating to Moa Nickel under Title III of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 (the "Helms-Burton Act"). Under the Agreement, Moa Bay consented to interim fuel shipments to Moa Nickel in exchange for consent fees payable by or on behalf of Sherritt. As part of the Agreement, Moa Bay also agreed not to bring any Helms-Burton Act claims against the Covered Participants in connection with those authorized shipments. Sherritt and Moa Bay also obtained, concurrently with the Fuel License issued on October 19, 2026, separate OFAC authorization required for performance under the Agreement in the form of an additional OFAC license authorizing execution and performance of the interim consent agreement.

The actual restart of operations at Moa Nickel remains subject to receipt of a second OFAC emergency license, which the Corporation is working to obtain with the continued support of and in close coordination with U.S. investment firm Gillon Capital, LLC ("Gillon Capital"). Sherritt and Gillon Capital continue to negotiate a potential acquisition of the Corporation by Gillon Capital. Executing this acquisition would require separate OFAC authorizations, which Sherritt and Gillon Capital intend to apply for, but which are not guaranteed.

2. BASIS OF PRESENTATION AND GOING CONCERN

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

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

Assessing the ability of the Corporation to continue as a going concern requires judgment that includes considering whether conditions or events, including those at any of its investees, joint operations and subsidiaries, impact the going concern assumption. In conducting this assessment, management identified adverse events impacting the Moa Joint Venture and the Energas S.A. joint operation, as well as environmental rehabilitation expenditures for its legacy Spanish Oil and Gas operations, and events regarding compliance with, ongoing accessibility to and ability to repay its revolving-term credit facility ("Credit Facility"). The aforementioned adverse events impact both production and liquidity and result in significant obligations that will require repayment or refinancing. Consequently, the Corporation is required to evaluate the impact of these adverse events on its ability to continue as a going concern.

A material adverse change to the Corporation's business occurred as a result of the issuance of the Executive Order on May 1, 2026 by the United States government expanding sanctions against persons and companies conducting business in Cuba, that gives the administrative agent (on behalf of the lenders) under the Credit Facility agreement the ability to call an event of default and demand repayment of all indebtedness owing under such agreement in the principal amount of $51.9 million including outstanding letters of credit as of November 13, 2026. If a demand for repayment of all or a portion of the current amounts outstanding under the Credit Facility were made, the Corporation's current cash balance in Canada would be insufficient to pay such amount and the Corporation would be required to seek alternative sources of financing. Borrowings under the Credit Facility are secured by all of the assets and property of the Corporation and its material subsidiaries, and the eligible receivables and inventories of International Cobalt Company Inc., The Cobalt Refinery Company Inc., New Providence Metals Marketing Inc. and New Providence Metals Sales Inc., that form the borrowing base collateral.

In addition, the borrowing base of the Credit Facility on May 31, 2026, June 30, 2026, July 31, 2026, August 31, 2026 and September 30, 2026 was below the then aggregate borrowings including outstanding letters of credit and during the three months ended June 30, 2026 and September 30, 2026, the Corporation was not in compliance with certain covenants, as defined in the Credit Facility agreement. Refer to the Credit Facility section of note 12 for further details on the Credit Facility.

Subsequent to period end, on October 30, 2026, the Corporation did not pay interest of $11.5 million on the Amended Senior Secured Notes that was due and payable. A default in payment of interest will only constitute a continuing event of default under the Amended Senior Secured Notes if it remains outstanding for 30 days. Refer to the Non-payment of interest on Amended Senior Secured Notes section of note 19 for further details.

The Corporation is currently in discussions with its lenders, and some of its noteholders and equity holders to address the issues above and find a comprehensive long-term solution to these matters. The Corporation does not have existing liquidity or alternative financing sources at this time to repay all or a material portion of its indebtedness if it becomes due earlier than its current stated maturity as a result of an acceleration by one or more of its creditors; and while it has had a history of being able to refinance or extend its indebtedness in the past, its ability to do so in the current circumstances remains uncertain and is subject to factors that are outside of the Corporation's control.

As disclosed in note 1, the Executive Order on May 1, 2026 expanding sanctions against persons and companies conducting business in Cuba resulted in the Corporation suspending its direct participation in its joint venture activities in Cuba and may also result in financial or other providers being unable or unwilling to continue to support Sherritt's operation or other business activities. Sherritt International Corporation, the legal entity, has not, nor has any of its officers or directors, been sanctioned following issuance of the Executive Order.

The cessation of mining and processing operations and production of mixed sulphides at the Moa JV mine resulting from fuel supply disruption due to the imposition of tariffs by the U.S. on countries that provide oil to Cuba and the impact of the Executive Order, which resulted in the inability to procure other input commodities and supplies in Cuba; the cessation of refining of mixed sulphides into finished nickel and cobalt at the Moa JV refinery due to a lack of feed from the Moa mine; the cessation of dividends from Energas to Sherritt in Canada resulting from a lack of foreign currency availability at the Moa JV due to fuel supply disruption at the Moa JV and the impact of the Executive Order; ongoing volatility in commodity prices for the Corporation's finished products and input commodities; and environmental rehabilitation expenditures for legacy Spanish Oil and Gas operations have adversely impacted the Corporation's financial position.

The Corporation is pursuing numerous initiatives to reduce its costs and enhance its liquidity. Among these initiatives, the Corporation has completed significant cost reduction measures in 2024, 2025 and 2026, including permanent and temporary workforce reductions, operational and capital spending cost reductions and deferrals, reductions in key management personnel and receipt of advance payments from customers at the Moa JV, which are expected to increase the Corporation's liquidity in the next twelve months as the Corporation realizes the full benefit of these measures. In addition, the Corporation completed an equity financing during the nine months ended September 30, 2026, with gross cash proceeds of $43.6 million, which improved the Corporation's liquidity, and the Corporation is currently pursuing additional equity financings, as disclosed in note 13. The Corporation is also pursuing debt financing and other financing arrangements and continues to evaluate and pursue additional measures to increase the Corporation's liquidity.

The uncertainties related to the matters described above result in material uncertainty which may cast significant doubt about the Corporation's ability to continue as a going concern. If the Corporation is unable to meet its obligations when due or comply with the terms of its debt agreements, the assumption of preparing these consolidated financial statements on a going concern basis may no longer be appropriate. These condensed consolidated financial statements for the three and nine months ended September 30, 2026 do not reflect any adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary should the going concern assumption be inappropriate, and such adjustments could be material.

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

These condensed consolidated financial statements have been prepared using the same accounting policies, methods of computation, critical accounting estimates and critical accounting judgments as the annual consolidated financial statements of the Corporation for the year ended December 31, 2025, except for the adoption of the amendments to IFRS 9 and IFRS 7 noted in note 4 below and the critical accounting judgment noted below.

The condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2025.

Critical accounting judgments

Going concern

The assessment of the Corporation's ability to continue as a going concern, including its ability to complete financing arrangements, satisfy current and non-current obligations as they become due and comply with the financial covenants pursuant to its arrangements with its lenders involves significant judgment based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4. ACCOUNTING PRONOUNCEMENTS

Adoption of new and amended accounting pronouncements

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

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

The amendments specify:

(i) when a financial liability settled using an electronic payment system can be deemed to be discharged before the settlement date;

(ii) how to assess the contractual cash flow characteristics of financial assets with contingent features when the nature of the contingent event does not relate directly to changes in basic lending risks and costs; and

(iii) new or amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

The amendments are effective for annual periods beginning on or after January 1, 2026. The application of these amendments did not have a material impact on the Corporation’s consolidated financial statements.

Accounting pronouncements issued but not yet effective

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

IFRS 18 “Presentation and Disclosure in Financial Statements” (“IFRS 18”) and amendments to IAS 7 “Statement of Cash Flows” (“IAS 7”)

In April 2024, the IASB finalized issuance of IFRS 18, which will replace IAS 1, “Presentation of Financial Statements” and issued consequential amendments to IAS 7. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity’s assets, liabilities, equity, income and expenses and provide disclosures on management-defined performance measures (“MPM”) in the notes to the financial statements.

The standard is effective for annual periods beginning on or after January 1, 2027 and will be applied retrospectively such that comparative information for the fiscal year ending December 31, 2026 will be restated in accordance with IFRS 18. The Corporation expects to apply IFRS 18 beginning with its first quarter of 2027 interim financial statements. Comparative interim information will be presented on an IFRS 18 basis, including the new statement of comprehensive income/loss headings and required subtotals, MPM disclosures and aggregation and disaggregation requirements. The Corporation also expects to provide the transition disclosures required by IFRS 18, including a reconciliation between amounts previously presented under IAS 1 and the restated comparative amounts presented under IFRS 18 for the immediately preceding comparative interim period.

The Corporation is currently evaluating the impact that the initial application of IFRS 18 will have on its consolidated financial statements. The actual impacts of adopting the accounting standard on January 1, 2027 may change because the Corporation has not finalized its assessment and the new accounting standard is subject to change until the Corporation presents its first consolidated financial statements that include the date of initial application. The expected impacts in the period of initial application are described below.

IFRS 18 requires entities to classify all income and expenses into five categories in the consolidated statement of comprehensive income/loss: operating, investing, financing, income tax and discontinued operations. Classification of income and expenses depends on the main business activities of an entity. The Corporation has determined that it does not have a specified main business activity of investing in assets and/or providing financing to customers.

Neither net profit nor net assets will change as a result of the Corporation’s adoption of IFRS 18. However, the Corporation will be required to present two newly defined subtotals: Operating profit/loss and Profit/loss before financing and income taxes. Based on the information currently available, the Corporation expects significant changes to the current structure of the consolidated statement of comprehensive income/loss to result from the following:

- Share of earnings/loss of Moa Joint Venture, net of tax is currently presented within Loss from operations and joint venture. Income and expenses from equity-accounted investments are classified in the investing category under IFRS 18. Accordingly, the Corporation's Share of earnings/loss of Moa Joint Venture, net of tax will be classified and presented in the investing category. In addition, the Corporation expects to optionally present a new subtotal, Operating profit/loss and share of profit/loss from equity-accounted investee, which will include the Corporation's Share of earnings/loss of Moa Joint Venture, net of tax.
- Items currently within Net finance expense/income will be classified in the operating, investing and financing categories.

MPM are subtotals of income and expenses used in public communications outside the financial statements that communicate to users management's view of an aspect of the financial performance of the entity as a whole. The Corporation has identified Adjusted EBITDA and Adjusted net earnings/loss from continuing operations as potential MPM. The Corporation will be required to disclose specific information about MPM in a single note in the consolidated financial statements.

IFRS 18 also introduces consequential amendments to IAS 7, which require entities to use the newly defined Operating profit/loss subtotal as the starting point for the consolidated statement of cash flows when presenting operating cash flows under the indirect method. The Corporation currently uses Net earnings/loss from continuing operations as the starting point of the reconciliation to cash flows from operating activities. Certain adjusting items included in the reconciliation will change as a result of the new starting point. For example, the Corporation's Share of earnings/loss of Moa Joint Venture, net of tax, will no longer be an adjusting item, as this amount will not be included in the Operating profit/loss starting point.

The consequential amendments to IAS 7 also provide specific guidance on the classification of interest and dividend cash flows. The Corporation will classify cash flows from interest received as investing activities rather than operating activities and will classify cash flows from interest paid as financing activities rather than operating activities. Cash dividends from the Moa Joint Venture will be included in cash flows from investing activities rather than operating activities.

5. SEGMENTED INFORMATION

Canadian $ millions, for the three months ended September 30	Metals[1]	Power	Oil and Gas	Corporate and Other	Adjustments for Moa JV[1]	2026 Total
Revenue	$ 41.2	$ 12.7	$ -	$ 0.2	$ (14.4)	$ 39.7
Cost of sales	(84.3)	(2.5)	2.4	-	53.0	(31.4)
Administrative expenses	(1.0)	(2.8)	-	(12.3)	1.0	(15.1)
Impairment of property, plant and equipment	(2.1)	-	-	-	1.2	(0.9)
Share of loss of Moa Joint Venture, net of tax	-	-	-	-	(33.6)	(33.6)
(Loss) earnings from operations and joint venture	(46.2)	7.4	2.4	(12.1)	7.2	(41.3)
Interest income on financial assets measured at amortized cost						0.1
Other financing items						(29.6)
Financing expense						(7.6)
Net finance expense						(37.1)
Loss before income tax						(78.4)
Income tax expense						(0.9)
Net loss from continuing operations						(79.3)
Net loss for the period						$ (79.3)
Supplementary information						
Depletion, depreciation and amortization	$ 18.4	$ 0.1	$ -	$ 0.1	$ (16.4)	$ 2.2
Property, plant and equipment expenditures	0.9	-	-	-	(0.8)	0.1

Canadian $ millions, as at September 30	Metals[1]	Power	Oil and Gas	Corporate and Other	Adjustments for Moa JV[1]	2026 Total
Non-current assets[2]	$ 602.8	$ 14.9	$ 0.2	$ 1.2	$ (479.7)	$ 139.4
Total assets	983.9	367.9	9.2	52.7	(215.4)	1,198.3

Canadian $ millions, for the three months ended September 30						2025
	Metals[1]	Power	Oil and Gas	Corporate and Other	Adjustments for Moa JV[1]	Total
Revenue	$ 94.1	$ 13.9	$ 5.2	$ 0.4	$ (73.9)	$ 39.7
Cost of sales	(106.8)	(3.4)	(4.6)	(0.4)	87.1	(28.1)
Administrative expenses	(1.7)	(1.9)	(0.1)	(6.2)	1.4	(8.5)
Share of loss of Moa Joint Venture, net of tax	-	-	-	-	(15.7)	(15.7)
(Loss) earnings from operations and joint venture	(14.4)	8.6	0.5	(6.2)	(1.1)	(12.6)
Interest income on financial assets measured at amortized cost						0.1
Other financing items						3.3
Financing expense						(8.9)
Net finance expense						(5.5)
Loss before income tax						(18.1)
Income tax expense						(1.4)
Net loss from continuing operations						(19.5)
Net loss for the period						$ (19.5)
Supplementary information						
Depletion, depreciation and amortization	$ 12.9	$ 0.5	$ 0.1	$ 0.2	$ (10.5)	$ 3.2
Property, plant and equipment expenditures	8.7	0.2	-	-	(6.2)	2.7

Canadian $ millions, as at December 31						2025
Non-current assets[2]	$ 638.0	$ 17.2	$ 0.4	$ 4.2	$ (501.7)	$ 158.1
Total assets	1,010.7	375.8	13.3	15.6	(188.1)	1,227.3

Canadian $ millions, for the nine months ended September 30						**2026**
	Metals[1]	**Power**	**Oil and Gas**	**Corporate and Other**	**Adjustments for Moa JV[1]**	**Total**
Revenue	**$ 252.5**	**$ 39.8**	**$ 0.5**	**$ 0.5**	**$ (160.3)**	**$ 133.0**
Cost of sales	**(316.8)**	**(9.7)**	**(43.6)**	**-**	**227.1**	**(143.0)**
Administrative expenses	**(3.9)**	**(5.5)**	**-**	**(31.6)**	**3.2**	**(37.8)**
Impairment of property, plant and equipment	**(2.1)**	**-**	**-**	**-**	**1.2**	**(0.9)**
Share of loss of Moa Joint Venture, net of tax	**-**	**-**	**-**	**-**	**(57.4)**	**(57.4)**
(Loss) earnings from operations and joint venture	**(70.3)**	**24.6**	**(43.1)**	**(31.1)**	**13.8**	**(106.1)**
Interest income on financial assets measured at amortized cost						**0.6**
Other financing items						**(25.4)**
Financing expense						**(25.4)**
Net finance expense						**(50.2)**
Loss before income tax						**(156.3)**
Income tax expense						**(3.3)**
Net loss from continuing operations						**(159.6)**
Net loss for the period						**$ (159.6)**
Supplementary information						
Depletion, depreciation and amortization	**$ 48.5**	**$ 1.3**	**$ 0.1**	**$ 0.3**	**$ (41.2)**	**$ 9.0**
Property, plant and equipment expenditures	**8.1**	**0.3**	**-**	**-**	**(8.0)**	**0.4**

Canadian $ millions, as at September 30						**2026**
Non-current assets[2]	**$ 602.8**	**$ 14.9**	**$ 0.2**	**$ 1.2**	**$ (479.7)**	**$ 139.4**
Total assets	**983.9**	**367.9**	**9.2**	**52.7**	**(215.4)**	**1,198.3**

Canadian $ millions, for the nine months ended September 30						2025
	Metals[1]	Power	Oil and Gas	Corporate and Other	Adjustments for Moa JV[1]	Total
Revenue	$ 332.5	$ 35.9	$ 9.1	$ 1.3	$ (257.0)	$ 121.8
Cost of sales	(356.0)	(15.3)	(27.5)	(1.4)	289.0	(111.2)
Cobalt loss	(0.3)	-	-	-	0.3	-
Administrative expenses	(6.6)	(5.0)	(0.1)	(21.2)	4.3	(28.6)
Share of loss of Moa Joint Venture, net of tax	-	-	-	-	(45.8)	(45.8)
(Loss) earnings from operations and joint venture	(30.4)	15.6	(18.5)	(21.3)	(9.2)	(63.8)
Gain on Debt and Equity Transactions, net of transaction costs						32.4
Interest income on financial assets measured at amortized cost						0.5
Other financing items						9.0
Financing expense						(25.8)
Net finance income						16.1
Loss before income tax						(47.7)
Income tax expense						(2.0)
Net loss from continuing operations						(49.7)
Loss from discontinued operations, net of tax						(0.2)
Net loss for the period						$ (49.9)
Supplementary information						
Depletion, depreciation and amortization	$ 42.2	$ 1.9	$ 0.1	$ 0.6	$ (34.8)	$ 10.0
Property, plant and equipment expenditures	32.8	1.1	0.1	-	(23.8)	10.2

Canadian $ millions, as at December 31						2025
Non-current assets[2]	$ 638.0	$ 17.2	$ 0.4	$ 4.2	$ (501.7)	$ 158.1
Total assets	1,010.7	375.8	13.3	15.6	(188.1)	1,227.3

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

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

Disaggregation of revenue by product and service type

Revenue in the below table excludes revenue recognized by the Moa JV, which is excluded from consolidated revenue and included within the Corporation's share of loss of Moa Joint Venture, net of tax, at the Corporation's 50% interest due to the equity method of accounting. Refer to the Moa JV's statements of comprehensive loss in note 7 for revenue recognized by the Moa JV on a 100% basis.

	For the three months ended		For the nine months ended	
	2026	2025	**2026**	2025
Canadian $ millions	**September 30**	September 30	**September 30**	September 30
	Total revenue	Total revenue	**Total revenue**	Total revenue
Cobalt	**$ -**	$ -	**$ -**	$ 4.7
Fertilizer[1]	**16.9**	9.6	**57.6**	43.5
Power generation[2]	**9.0**	12.7	**30.8**	31.2
Power frequency control	**2.8**	0.3	**6.2**	2.4
Sulphuric acid	**8.9**	9.3	**30.8**	23.3
Oil and gas service	**-**	5.2	**0.5**	9.1
Other	**2.1**	2.6	**7.1**	7.6
	$ 39.7	$ 39.7	**$ 133.0**	$ 121.8

(1) Due to the seasonal nature of the fertilizer operations at Fort Site, higher fertilizer revenue is generally recognized in the second and fourth quarters of the year. For the year ended December 31, 2025, 33% of fertilizer revenue was recognized in the second quarter, 36% was recognized in the fourth quarter and the remaining 31% was recognized in the first and third quarters combined.

(2) Included in power generation revenue for the three and nine months ended September 30, 2026 is $7.2 million and $25.9 million, respectively, of revenue from service concession arrangements ($9.9 million and $27.0 million for the three and nine months ended September 30, 2025, respectively).

Cobalt revenue

Cobalt revenue relates to cobalt sold by the Corporation to customers received through distributions from the Moa JV pursuant to the Cobalt Swap. The Corporation recognized nil cobalt revenue during the three and nine months ended September 30, 2026 (nil and $4.7 million during the three and nine months ended September 30, 2025, respectively) and received nil cash during the three and nine months ended September 30, 2026 from cobalt sales pursuant to the Cobalt Swap (nil and $6.2 million during the three and nine months ended September 30, 2025, respectively).

Refer to note 13 of the Corporation's annual consolidated financial statements for the year ended December 31, 2025 for further details on the Cobalt Swap.

6. EXPENSES

Cost of sales includes the following:

	For the three months ended		For the nine months ended	
	2026	2025	**2026**	2025
Canadian $ millions	**September 30**	September 30	**September 30**	September 30
Employee costs	**$ 10.6**	$ 13.4	**$ 35.1**	$ 42.1
Termination benefits	**0.1**	1.8	**0.8**	2.0
Depletion, depreciation and amortization of property, plant and equipment and intangible assets	**2.1**	2.8	**8.5**	9.1
Raw materials and consumables	**26.3**	11.1	**72.5**	38.1
Finished cobalt[1]	**-**	-	**-**	4.7
Repairs and maintenance	**9.0**	10.4	**23.3**	31.9
Shipping and treatment costs	**0.6**	0.6	**2.0**	2.6
Inventory write-down/obsolescence	**1.1**	0.2	**1.1**	0.2
(Gain) loss on environmental rehabilitation provisions	**(4.3)**	-	**35.5**	13.3
Share-based compensation expense	**0.8**	0.2	**1.0**	0.3
Changes in inventories and other	**(14.9)**	(12.4)	**(36.8)**	(33.1)
	$ 31.4	$ 28.1	**$ 143.0**	$ 111.2

(1) Finished cobalt relates to the cost of finished cobalt distributed to the Corporation pursuant to the Cobalt Swap and sold to customers. The value is based on an in-kind value of cobalt, calculated as a cobalt reference price from the month preceding distribution, modified mutually between the Corporation and General Nickel Company ("GNC") in consideration of selling costs incurred by the Corporation. Refer to note 13 of the Corporation's consolidated financial statements for the year ended December 31, 2025 for further details on the Cobalt Swap.

Loss on environmental rehabilitation provisions

During the nine months ended September 30, 2026, the Corporation recognized a $35.5 million loss on environmental rehabilitation provisions primarily due to a change in estimate for the Corporation's environmental rehabilitation provisions for legacy Spanish Oil and Gas operations. The change in estimate primarily related to an increase in estimated rehabilitation costs for platform decommissioning work, including facilities removal, site remediation and monitoring costs. Refer to note 14 for further details.

Administrative expenses include the following:

	For the three months ended		For the nine months ended	
	2026	2025	**2026**	2025
Canadian $ millions	**September 30**	September 30	**September 30**	September 30
Employee costs	**$ 6.0**	$ 4.7	**$ 16.6**	$ 16.0
Termination benefits	**-**	0.9	**2.7**	1.0
Depreciation	**0.1**	0.4	**0.5**	0.9
Share-based compensation expense	**3.1**	0.3	**4.9**	1.2
Legal, consulting and audit fees	**5.9**	2.2	**13.0**	8.7
Other	**-**	-	**0.1**	0.8
	$ 15.1	$ 8.5	**$ 37.8**	$ 28.6

7. JOINT ARRANGEMENTS

Investment in Moa Joint Venture

Mining and processing operations at the Moa JV in 2026 were significantly reduced as a result of fuel supply disruption in Cuba and the inability to procure other input commodities and supplies in Cuba as a result of the Executive Order and ultimately ceased in late June 2026. In addition, inventory of mixed sulphides feed at the refinery in Fort Saskatchewan, Alberta was depleted and the refinery ceased operations in late June 2026 until such time that mining and processing activities at Moa resume and the refinery feed pipeline is rebuilt. The Moa JV continued to produce fertilizers for sale during the three months ended September 30, 2026.

Refer to note 1 for further information regarding the Executive Order issued during the nine months ended September 30, 2026 expanding its sanctions against Cuba and resulting in the Corporation suspending its direct participation in joint venture activities in Cuba, including the Moa JV. Also refer to note 1 for further information on receipt of an OFAC Fuel License subsequent to period end for the purchase and delivery of fuel, fuel oil and sulphur to Moa Nickel's mining and processing operations in Cuba. The Fuel License is the first of a series of anticipated OFAC emergency licenses that will be necessary for Sherritt to be able to restart mining and processing operations at Moa Nickel as well as further refining operations in Canada.

During the three and nine months ended September 30, 2026 and September 30, 2025, the Moa Joint Venture distributed nil tonnes of finished cobalt and nil cash distributions to the Corporation pursuant to the Cobalt Swap.

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

Statements of financial position

Canadian $ millions, 100% basis, as at		**2026 September 30**		2025 December 31
Assets				
Cash and cash equivalents	**$**	**13.5**	$	25.5
Trade accounts receivable, net		**176.2**		70.2
Inventories		**241.9**		349.9
Income taxes receivable		**6.9**		3.3
Other current assets		**16.2**		22.2
Property, plant and equipment		**1,045.5**		1,087.7
Deferred income taxes		**68.4**		40.3
Other non-current assets		**6.0**		10.2
Total assets		**1,574.6**		1,609.3
Liabilities				
Trade accounts payable and accrued liabilities		**226.5**		112.7
Deferred revenue		**-**		28.0
Income taxes payable		**-**		1.3
Current loans and borrowings[(1)]		**42.5**		36.4
Other current financial liabilities		**0.7**		0.4
Non-current loans and borrowings[(1)]		**66.5**		93.1
Other non-current financial liabilities		**1.0**		1.7
Non-current environmental rehabilitation provisions		**87.3**		94.1
Deferred income taxes		**6.8**		8.7
Total liabilities		**431.3**		376.4
Net assets of Moa Joint Venture	**$**	**1,143.3**	$	1,232.9
Proportion of Sherritt's ownership interest		**50%**		50%
Total		**571.7**		616.5
Intercompany capitalized interest elimination		**(43.1)**		(42.2)
Investment in Moa Joint Venture	**$**	**528.6**	$	574.3

(1) As at September 30, 2026, the Moa Joint Venture had drawn $85.1 million (US $60.0 million) (December 31, 2025 - $82.2 million (US$60.0 million)) on a US$60.0 million equivalent credit facility denominated in Cuban pesos ("CUP") from a Cuban financial institution to support spending on capital related to tailings management and working capital, of which $21.3 million is included in current loans and borrowings (December 31, 2025 - nil) and $63.8 million is included in non-current loans and borrowings (December 31, 2025 - $82.2 million).

Statements of comprehensive loss

Canadian $ millions, 100% basis	For the three months ended 2026 September 30	2025 September 30	For the nine months ended 2026 September 30	2025 September 30
Revenue	**$ 28.6**	$ 147.8	**$ 320.5**	$ 514.0
Cost of sales[1]	**(105.9)**	(174.1)	**(454.1)**	(578.0)
Impairment of property, plant and equipment	**(2.4)**	-	**(2.4)**	-
Administrative expenses	**(1.8)**	(2.8)	**(6.2)**	(8.6)
Loss from operations	**(81.5)**	(29.1)	**(142.2)**	(72.6)
Financing income	**-**	0.2	**0.1**	0.4
Financing expense	**(3.3)**	(4.1)	**(6.3)**	(21.8)
Net finance expense	**(3.3)**	(3.9)	**(6.2)**	(21.4)
Loss before income tax	**(84.8)**	(33.0)	**(148.4)**	(94.0)
Income tax recovery (expense)[2]	**16.2**	(0.8)	**28.2**	(4.6)
Net loss and comprehensive loss of Moa Joint Venture	**$ (68.6)**	$ (33.8)	**$ (120.2)**	$ (98.6)
Proportion of Sherritt's ownership interest	**50%**	50%	**50%**	50%
Total	**(34.3)**	(16.9)	**(60.1)**	(49.3)
Intercompany elimination	**0.7**	1.2	**2.7**	3.5
Share of loss of Moa Joint Venture, net of tax	**$ (33.6)**	$ (15.7)	**$ (57.4)**	$ (45.8)

(1) Included in cost of sales for the three and nine months ended September 30, 2026 is depreciation and amortization of $32.9 million and $82.4 million, respectively ($20.9 million and $69.6 million for the three and nine months ended September 30, 2025, respectively).

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

Measurement of the recoverable amount of the Metals cash-generating unit (“CGU”)

The Corporation’s Metals CGU is primarily composed of the Moa Joint Venture and Fort Site. As at September 30, 2026, the Corporation identified indicators of impairment as follows: forecast nickel and cobalt prices; the Corporation’s market capitalization deficiency; and fuel supply disruption in Cuba and the inability of the Moa JV to procure other input commodities in Cuba due to the Executive Order (note 1), both of which impact production volumes. The Corporation incorporated the risks of fuel supply disruption in Cuba and the impact of the Executive Order on the Moa JV’s ability to procure other input commodities and supplies in Cuba in the cash flows of the model through the use of an expected present value technique with probability-weighted scenarios, including a high-probability scenario wherein fuel and other input commodities resume being supplied to the Moa JV in Cuba and production of mixed sulphides and finished nickel and cobalt resumes in 2027. As at September 30, 2026, the Corporation determined that the Metals CGU’s recoverable amount is comparable to its carrying value. The carrying value of the Metals CGU as at September 30, 2026 is $690.7 million.

The Metals CGU’s fair value is measured based on a forecast of future cash flows including estimated recoverable production, market or contracted commodity prices, foreign exchange rates, an inflation rate, production volume, cash costs of production, capital expenditures, reclamation costs and conversion of resources to reserves, discounted at an appropriate discount rate reflecting the time value of money, uncertainty inherent in the cash flows and a risk premium, and includes the assumptions that the Corporation will continue its long-term investment in the Moa Joint Venture. The Metals CGU’s fair value is sensitive to changes in the above assumptions and a reasonably possible change in one or more of these assumptions could result in a material adjustment to the carrying value of the Metals CGU within the next financial year and the recognition of an impairment loss.

The following discloses the significant assumptions that were used to determine the fair value of the Metals CGU recoverable amount as at September 30, 2026, as well as sensitivities on the recoverable amount from changes in these significant assumptions:

- Forecast nominal nickel prices - short-term: US$7.85/lb. and long-term US$8.51/lb. A US$1.00/lb increase or decrease in the short-term or long-term forecast nominal nickel prices would increase or decrease the recoverable amount by $33.9 million and $367.9 million, respectively.
- Forecast nominal cobalt prices - short-term: US$24.05/lb. and long-term US$20.84/lb. A US$5.00/lb increase or decrease in the short-term or long-term forecast nominal cobalt prices would increase or decrease the recoverable amount by $17.3 million and $181.7 million, respectively.
- Forecast nominal sulphur prices - short-term: US$742.98/tonne and long-term: US$283.89/tonne. A US$25.00/tonne increase or decrease in the short-term or long-term forecast nominal sulphur prices would decrease or increase the recoverable amount by $4.8 million and $44.8 million, respectively.

- Nominal discount rate - 12.5%. A one percentage point increase or decrease in the discount rate would decrease or increase the recoverable amount by $70.6 million.

In calculating the sensitivity of the Metals CGU's recoverable amount to a change in prices, the Corporation applied changes in the short-term price to cash flows in 2027 and applied changes in the long-term price to cash flows from 2028 to the end of the life of mine.

Joint operation

During the three and nine months ended September 30, 2026 and subsequent to period end, Energas was unaffected by fuel supply disruption in Cuba as it processes domestically sourced raw natural gas to generate electricity and does not rely on imported fuel.

During the three and nine months ended September 30, 2026, Energas declared and paid dividends of nil and $5.5 million, respectively, to the Corporation in Canada ($8.3 million and $18.2 million for the three and nine months ended September 30, 2025, respectively). Foreign currency payments pursuant to the Energas Payment Agreement ("Moa Swap") ceased as of April 2026 as a result of reduced operations at the Moa JV which have reduced the Moa JV's cash available in major foreign currencies and resulted in the cessation of dividends from Energas to the Corporation in Canada as of April 2026.

In addition, refer to note 1 for further information regarding the Executive Order issued during the nine months ended September 30, 2026 expanding its sanctions against Cuba and resulting in the Corporation suspending its direct participation in joint venture activities in Cuba, including Energas.

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

Canadian $ millions, 33⅓% basis, as at	**2026 September 30**	2025 December 31
Current assets[1]	**$ 158.9**	$ 130.8
Non-current assets	**13.8**	14.4
Current liabilities	**21.1**	1.2
Non-current liabilities	**66.4**	75.8
Net assets	**$ 85.2**	$ 68.2

(1) Included in current assets is $120.0 million of cash and cash equivalents denominated in CUP and held by Energas in Cuban bank deposit accounts (December 31, 2025 - $103.3 million).

	For the three months ended		For the nine months ended	
Canadian $ millions, 33⅓% basis	**2026 September 30**	2025 September 30	**2026 September 30**	2025 September 30
Revenue	**$ 12.7**	$ 13.9	**$ 39.8**	$ 35.9
Gains (expenses)	**9.3**	(3.5)	**(1.6)**	(21.7)
Net earnings	**$ 22.0**	$ 10.4	**$ 38.2**	$ 14.2

8. NET FINANCE (EXPENSE) INCOME

Canadian $ millions	Note	For the three months ended 2026 September 30	2025 September 30	For the nine months ended 2026 September 30	2025 September 30
Extinguishment of Second Lien Notes and premium at amortized cost for Amended Senior Secured Notes		**-**	-	**-**	240.0
Extinguishment of PIK Notes at amortized cost for Amended Senior Secured Notes		**-**	-	**-**	69.4
Extinguishment of accrued interest on PIK Notes		**-**	-	**-**	1.8
Issuance of Amended Senior Secured Notes at fair value		**-**	-	**-**	(266.1)
Extinguishment of Amended Senior Secured Notes at exchange price for common shares from treasury		**-**	-	**-**	17.1
Issuance of common shares from treasury at fair value	17	**-**	-	**-**	(13.9)
Transaction costs:					
Early cash consent consideration		**-**	-	**-**	(6.5)
Legal, financial and other advisory costs		**-**	-	**-**	(9.4)
Gain on Debt and Equity Transactions, net of transaction costs		**-**	-	**-**	32.4
Interest income on financial assets measured at amortized cost		**0.1**	0.1	**0.6**	0.5
(Loss) gain on revaluation of GNC receivable	10	**(40.4)**	5.1	**(30.5)**	13.3
Gain (loss) on revaluation of Energas payable	10	**13.6**	(0.1)	**9.5**	(2.9)
Unrealized gain (loss) on natural gas swaps	10	**-**	0.6	**(0.6)**	(1.2)
Realized (loss) gain on natural gas swaps	10	**-**	(2.4)	**0.6**	(2.0)
Unrealized gain on nickel put options		**0.6**	-	**0.1**	-
Realized loss on nickel put options	11	**(1.0)**	-	**(2.4)**	-
Other interest (expense) income and (losses) gains on financial instruments		**(2.4)**	0.1	**(2.1)**	1.8
Other financing items		**(29.6)**	3.3	**(25.4)**	9.0
Interest expense and accretion on loans and borrowings		**(7.5)**	(7.6)	**(22.3)**	(24.3)
Unrealized foreign exchange gain (loss)		**0.1**	(0.9)	**(1.0)**	-
Realized foreign exchange loss		**(0.3)**	(0.1)	**(1.5)**	(0.6)
Other interest income (expense) and finance charges		**0.2**	(0.2)	**(0.4)**	(0.7)
Accretion expense on environmental rehabilitation provisions		**(0.1)**	(0.1)	**(0.2)**	(0.2)
Financing expense		**(7.6)**	(8.9)	**(25.4)**	(25.8)
Net finance (expense) income		**(37.1)**	$ (5.5)	**$ (50.2)**	$ 16.1

Refer to note 5 of the Corporation's annual consolidated financial statements for the year ended December 31, 2025 for further details on the Gain on Debt and Equity transactions, net of transaction costs recognized in the comparative period.

9. LOSS PER SHARE

Canadian $ millions, except share amounts in millions and per share amounts in dollars	For the three months ended 2026 September 30	2025 September 30	For the nine months ended 2026 September 30	2025 September 30
Net loss from continuing operations	**$ (79.3)**	$ (19.5)	**$ (159.6)**	$ (49.7)
Loss from discontinued operations, net of tax	**-**	-	**-**	(0.2)
Net loss for the period – basic and diluted	**$ (79.3)**	$ (19.5)	**$ (159.6)**	$ (49.9)
Weighted-average number of common shares – basic and diluted[1]	**704.0**	496.3	**630.9**	456.4
Net loss from continuing operations per common share:				
Basic and diluted	**$ (0.11)**	$ (0.04)	**$ (0.25)**	$ (0.11)
Net loss per common share:				
Basic and diluted	**$ (0.11)**	$ (0.04)	**$ (0.25)**	$ (0.11)

(1) The determination of the weighted-average number of common shares - diluted excludes 8.2 million shares related to stock options that were anti-dilutive for the three and nine months ended September 30, 2026 (7.8 million for the three and nine months ended September 30, 2025).

10. FINANCIAL INSTRUMENTS

Cash and cash equivalents

Cash and cash equivalents of the Corporation held in Canada was $42.4 million as at September 30, 2026 (December 31, 2025 - $13.4 million) and is held in major currencies.

The Corporation's cash balances are deposited with major financial institutions rated investment grade by independent rating agencies, except for cash deposited with financial institutions located in Cuba that are not rated. Of the Corporation's cash and cash equivalents of $167.0 million (December 31, 2025 - $124.9 million), total cash held in Cuban bank deposit accounts was $123.5 million as at September 30, 2026 (December 31, 2025 - $109.4 million).

Total cash denominated in CUP was $123.6 million as at September 30, 2026 (December 31, 2025 - $109.4 million), which is not exchangeable into other currencies unless sufficient foreign currency reserves exist in Cuba.

As at September 30, 2026, $120.0 million of the Corporation's cash and cash equivalents was held by Energas in Cuban bank deposit accounts (December 31, 2025 - $103.3 million). These funds are for use locally by the joint operation, including repayment of Energas' payable to GNC (note 12) in CUP pursuant to the Cobalt Swap and for payments facilitated by the Moa Swap. Refer to notes 13 and 22 of the Corporation's annual consolidated financial statements for the year ended December 31, 2025 for further details on the Cobalt Swap and Moa Swap, respectively.

Refer to note 7 for further details on foreign currency payments facilitated by the Moa Swap during the nine months ended September 30, 2026 and note 1 for further information regarding the Executive Order issued during the nine months ended September 30, 2026 expanding its sanctions against Cuba and resulting in the Corporation suspending its direct participation in joint venture activities in Cuba, including the Moa JV and Energas.

Trade accounts receivable, net

Canadian $ millions, as at	Note	**2026 September 30**	2025 December 31
Trade accounts receivable		**$ 29.8**	$ 82.7
Allowance for expected credit losses		**(20.5)**	(19.5)
Accounts receivable from Moa Joint Venture	18	**79.2**	16.9
Other		**18.4**	19.8
		$ 106.9	$ 99.9

Aging of trade accounts receivable, net

Canadian $ millions, as at	**2026 September 30**	2025 December 31
Not past due	**$ 58.9**	$ 85.8
Past due no more than 30 days	**5.0**	7.7
Past due for more than 30 days but no more than 60 days	**14.0**	1.4
Past due for more than 60 days	**29.0**	5.0
	$ 106.9	$ 99.9

Fair value measurement

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

Canadian $ millions, as at	Note		**2026 September 30**		2025 December 31	
		Hierarchy level	**Carrying value**	**Fair value**	Carrying value	Fair value
Liabilities:						
Amended Senior Secured Notes[1]	12	1	**250.9**	**80.9**	248.9	124.4

(1) The fair value of the Amended Senior Secured Notes is based on market closing prices.

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

Canadian $ millions, as at	Note	Hierarchy level	2026 September 30	2025 December 31
Fair value through profit or loss				
Assets:				
GNC receivable	11	3	**$** 187.9	$ 218.4
Natural gas swap receivable	11	2	-	0.6
Liabilities:				
Energas payable	12	3	64.1	73.6

Fair value hierarchy and measurement of the GNC receivable and Energas payable

The GNC receivable (note 11) is a financial instrument subsequently measured at fair value through profit or loss ("FVTPL") and the Energas payable (note 12) is a financial instrument designated at FVTPL at initial recognition, as it contains an embedded derivative. Their fair values are determined using discounted cash flows in a model, which uses inputs, some of which are not based on observable market data and require significant judgment. As a result, the GNC receivable and Energas payable are included in Level 3 of the fair value hierarchy. The model includes the following forecast inputs: nominal nickel and cobalt prices, nominal input commodity prices, production volume, foreign exchange rates, an inflation rate, a nominal discount rate reflecting the time value of money, uncertainty inherent in the cash flows and a risk premium and includes the assumption that the Corporation will continue its long-term investment in the Moa Joint Venture. The Corporation incorporated the risks of fuel supply disruption in Cuba and the impact of the Executive Order on the Moa JV's ability to procure other input commodities and supplies in Cuba in the cash flows of the model through the use of an expected present value technique with probability-weighted scenarios, including a high-probability scenario wherein fuel and other input commodities resume being supplied to the Moa JV in Cuba and production of mixed sulphides and finished nickel and cobalt resumes in 2027. Forecast nominal nickel and cobalt prices and the nominal discount rates are significant unobservable inputs. The fair values of the GNC receivable and Energas payable are sensitive to changes in the above assumptions and a reasonably possible change in one or more of these assumptions could result in a material adjustment to their carrying values within the next financial year.

The Corporation's valuation process, including its valuation policy and procedures for fair value measurements included in Level 3, is determined by the Corporation's management and fair value is calculated each reporting period with the assistance of a third-party valuation specialist. As at September 30, 2026, the Corporation used a market valuation approach which values the instrument based on expected cash flow collection, including collections in the event of default, and discount rates commensurate with the credit risk of the counterparties using observable market data. The market valuation approach incorporates the assumption that upon an event of default, retroactive interest of 8.0% on the outstanding principal balance at maturity is due pursuant to the Cobalt Swap. Fair value measurement, and changes in fair value from period to period, are reviewed for reasonability by management each reporting period.

Refer to note 1 for further information regarding the Executive Order issued during the nine months ended September 30, 2026 expanding its sanctions against Cuba and resulting in the Corporation suspending its direct participation in joint venture activities.

The following significant unobservable inputs were used to determine the fair values of the GNC receivable and Energas payable as at September 30, 2026 using a market valuation approach:

- Forecast nominal nickel prices from US$8.51/lb to US$9.57/lb (December 31, 2025 - US$7.90/lb to US$10.25/lb). A US$1.00/lb increase or decrease in forecast nominal nickel prices would increase or decrease the fair value of the GNC receivable by $34.4 million and $41.0 million, respectively. A US$1.00/lb increase or decrease in forecast nominal nickel prices would increase or decrease the fair value of the Energas payable by $11.2 million and $13.5 million, respectively.
- Forecast nominal cobalt prices from US$20.84/lb to US$23.46/lb (December 31, 2025 - US$20.20/lb to US$26.45/lb). A US$5.00/lb increase or decrease in forecast nominal cobalt prices would increase or decrease the fair value of the GNC receivable by $19.0 million and $19.1 million, respectively. A US$5.00/lb increase or decrease in forecast nominal cobalt prices would increase or decrease the fair value of the Energas payable by $6.2 million and $6.3 million, respectively.

- Forecast nominal sulphur prices from US$283.89/lb to US$318.35/lb (December 31, 2025 - US$223.12/lb to US$264.63/lb). A US$25.00/tonne increase or decrease in forecast sulphur prices would decrease or increase the fair value of the GNC receivable by $4.7 million and $5.1 million, respectively. A US$25.00/tonne increase or decrease in forecast nominal sulphur prices would decrease or increase the fair value of the Energas payable by $1.6 million and $1.7 million, respectively.
- A nominal discount rate of 17.7% for the GNC receivable using a market valuation approach (December 31, 2025 - 14.2% using a market valuation approach) and a nominal discount rate of 17.3% for the Energas payable using a market valuation approach (December 31, 2025 - 13.8% using a market valuation approach). For the GNC receivable, a one percentage point increase in the discount rate would decrease the fair value by $10.5 million, while a one percentage point decrease in the discount rate would increase the fair value by $11.3 million. For the Energas payable, a one percentage point increase in the discount rate would decrease the fair value by $3.6 million, while a one percentage point decrease in the discount rate would increase the fair value by $3.9 million.

The following is a reconciliation of the fair value of the GNC receivable from December 31, 2024 to September 30, 2025 and from December 31, 2025 to September 30, 2026:

Canadian $ millions, for the nine months ended	Note	**2026 September 30**	2025 September 30
Balance, beginning of the period		**$ 218.4**	$ 203.3
(Loss) gain on revaluation of GNC receivable in net finance (expense) income	8	**(30.5)**	13.3
Balance, end of the period	11	**$ 187.9**	$ 216.6

The following is a reconciliation of the fair value of the Energas payable from December 31, 2024 to September 30, 2025 and from December 31, 2025 to September 30, 2026:

Canadian $ millions, for the nine months ended	Note	**2026 September 30**	2025 September 30
Balance, beginning of the period		**$ 73.6**	$ 75.2
(Gain) loss on revaluation of Energas payable in net finance (expense) income	8	**(9.5)**	2.9
Settlements		**-**	(5.0)
Balance, end of the period	12	**$ 64.1**	$ 73.1

11. ADVANCES, LOANS RECEIVABLE AND OTHER FINANCIAL ASSETS

Canadian $ millions, as at	Note	**2026 September 30**	2025 December 31
Advances and loans receivable			
GNC receivable[(1)]	10	**$ 187.9**	$ 218.4
Other		**0.5**	-
Other financial assets			
Natural gas swap receivable	10	**-**	0.6
Finance lease receivable		**-**	0.1
		188.4	219.1
Current portion of advances, loans receivable and other financial assets		**(0.5)**	(0.7)
Non-current portion of advances, loans receivable and other financial assets		**$ 187.9**	$ 218.4

(1) As at September 30, 2026, the non-current portion of the GNC receivable is $187.9 million (December 31, 2025 - $218.4 million).

GNC receivable

The principal balance of the GNC receivable as at September 30, 2026 is $277.1 million (December 31, 2025 - $277.1 million), reflecting nil settlements during the nine months ended September 30, 2026.

No interest accrues on the Corporation's GNC receivable over the five-year period of the Cobalt Swap. In the event that the GNC receivable is not fully repaid by December 31, 2027, interest will accrue retroactively at 8.0% from January 1, 2023 on the unpaid principal amount as at December 31, 2027, retroactive interest will be capitalized to the principal balance and the unpaid principal and interest amounts will become due and payable by GNC to the Corporation. Refer to note 13 of the Corporation's consolidated financial statements for the year ended December 31, 2025 for further details on the Cobalt Swap.

Nickel put options

During the nine months ended September 30, 2026, the Corporation purchased put options on 3,750 tonnes of nickel, or 625 tonnes per month, at an exercise price of US$7.48/lb (US$16,500/tonne) and at a cost of $2.4 million for a six-month period from February 1, 2026 to July 31, 2026. Any settlements are received in cash monthly based on the average monthly nickel price on the London Metal Exchange.

The economic hedging strategy provided Sherritt with full exposure to upward changes in nickel prices, while protecting against downward changes in nickel prices during periods of high price volatility by providing a minimum price of US$7.48/lb on a portion of the nickel production from the Moa JV during the nine-month period.

12. LOANS, BORROWINGS AND OTHER FINANCIAL LIABILITIES

Loans and borrowings

			For the nine months ended September 30, 2026		
			Cash flows	Non-cash changes	
Canadian $ millions	Note	As at 2025 December 31	Net repayment of loans and borrowings	Accretion and losses on revisions of cash flows	As at 2026 September 30
Amended Senior Secured Notes	10	$ 248.9	**-**	**$ 2.0**	**$ 250.9**
Credit Facility		67.1	**(9.8)**	**1.1**	**58.4**
		$ 316.0	**$ (9.8)**	**$ 3.1**	**$ 309.3**
Current portion of loans and borrowings[1]		(79.6)			**(70.9)**
Non-current portion of loans and borrowings		$ 236.4			**$ 238.4**

(1) The current portion of loans and borrowings is composed of $58.4 million related to the Credit Facility and $12.5 million related to the Scheduled Repurchase of Amended Senior Secured Notes on December 15, 2026.

Amended Senior Secured Notes

As at September 30, 2026, the outstanding principal amount of the Amended Senior Secured Notes is $249.0 million (December 31, 2025 - $249.0 million).

Subsequent to period end, on October 30, 2026, the Corporation did not pay interest of $11.5 million on the Amended Senior Secured Notes that was due and payable. Refer to the Non-payment of interest on Amended Senior Secured Notes section of note 19 for further details.

Credit Facility

As at September 30, 2026, $59.2 million (December 31, 2025 - $69.0 million) was drawn on the Credit Facility, which matures on April 30, 2027.

During the nine months ended September 30, 2026, the reference interest rate benchmark on the Credit Facility changed from Adjusted CORRA plus 4.0% to the Prime Rate plus 3.0%, with no significant change to the interest rate. There were no other significant changes to the terms, financial covenants or restrictions of the Credit Facility.

As disclosed in note 1, on May 1, 2026, a material adverse change to the Corporation's business occurred as a result of the issuance of the Executive Order by the United States government expanding sanctions against persons and companies conducting business in Cuba, that gives 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. Borrowings under the Credit Facility are secured by all of the assets and property of the Corporation and its material subsidiaries, and the eligible receivables and inventories of International Cobalt Company Inc., The Cobalt Refinery Company Inc., New Providence Metals Marketing Inc. and New Providence Metals Sales Inc., that form the borrowing base collateral.

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 the Corporation repaid the deficiency of $3.2 million in June 2026. On June 30, 2026, the borrowing base of the Credit Facility was $43.1 million, which was below 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 of $33.2 million and the Corporation repaid 50% of the deficiency amounting to $16.6 million in July 2026 in return for the lenders agreeing not to act on the Corporation's default to pay the full amount of the deficiency. Lastly, 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, which resulted in an event of default during the three months ended September 30, 2026, for which the lenders have not issued a notice of an event of default.

On July 31, 2026, the borrowing base of the Credit Facility was $28.6 million, which was below the then aggregate borrowings of $59.7 million including outstanding letters of credit, resulting in a borrowing base deficiency of $31.1 million. The lenders issued a further notice of excess borrowing and required repayment of the deficiency amount. The Corporation did not make the required repayment and as a result, an event of default occurred, for which the lenders have not issued a notice of acceleration of the debt. On August 31, 2026, the borrowing base of the Credit Facility was $26.9 million, which was below the then aggregate borrowings of $59.7 million including outstanding letters of credit, resulting in a borrowing base deficiency of $32.8 million. The lenders issued a further notice of excess borrowing and required repayment of the deficiency amount. The Corporation did not make the required repayment and as a result, an event of default occurred, for which the lenders have not issued a notice of acceleration of the debt. On September 30, 2026, the borrowing base of the Credit Facility was $21.9 million, which was below the then aggregate borrowings of $59.7 million including outstanding letters of credit, resulting in a borrowing base deficiency of $37.8 million. The lenders issued a further notice of excess borrowing and required repayment of the deficiency amount. The Corporation did not make the required repayment and as a result, an event of default occurred, for which the lenders have not issued a notice of acceleration of the debt.

During the three months ended September 30, 2026, the Corporation was not in compliance with the EBITDA-to-Interest Expense and Senior Secured Net Debt-to-EBITDA covenants, as defined in the Credit Facility agreement, which resulted in events of default during the three months ended September 30, 2026, for which the lenders have not issued notices of events of default.

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

Refer to note 19 for disclosure of a repayment on the Credit Facility subsequent to period end.

As of November 13, 2026, the administrative agent under the Credit Facility has not issued a notice of acceleration of the debt. An acceleration of the indebtedness owing under the Credit Facility and/or the expiry of the 30-day cure period in respect of the October 30, 2026 missed interest payment on the Amended Senior Secured Notes would permit the holders of at least 25% of the outstanding principal amount of the Amended Senior Secured Notes of the Corporation to also declare all of the Corporation's Amended Senior Secured Notes to be due and payable.

Other financial liabilities

Canadian $ millions, as at	Note	**2026 September 30**	2025 December 31
Energas payable[1]	10	**$ 64.1**	$ 73.6
Lease liabilities		**2.0**	7.6
Share-based compensation liability		**9.5**	6.4
Other financial liabilities		**1.0**	1.0
		76.6	88.6
Current portion of other financial liabilities[2]		**(8.3)**	(6.0)
Non-current portion of other financial liabilities		**$ 68.3**	$ 82.6

(1) As at September 30, 2026, the non-current portion of the Energas payable is $64.1 million (December 31, 2025 - $73.6 million).

(2) As at September 30, 2026, the current portion of other financial liabilities includes the current portion of a share-based compensation liability of $7.7 million (December 31, 2025 - $4.9 million).

Energas payable

During the nine months ended September 30, 2026, nil cash was paid by Energas to GNC in CUP (during the year ended December 31, 2025 - $5.0 million). The outstanding principal balance of the Energas payable as at September 30, 2026 is $92.3 million (December 31, 2025 - $92.3 million) (33⅓% basis).

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

13. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

Refer to note 2 for disclosure of the Corporation's material uncertainty which may cast significant doubt about the Corporation's ability to continue as a going concern.

Liquidity update

On May 1, 2026, a material adverse change to the Corporation's business occurred as a result of the issuance of the Executive Order by the United States government expanding sanctions against persons and companies conducting business in Cuba, as disclosed in note 1, that gives the administrative agent (on behalf of the lenders) under the Credit Facility agreement the ability to call an event of default and demand repayment of all indebtedness owing under such agreement in the principal amount of $51.9 million including outstanding letters of credit as of November 13, 2026. If a demand for repayment of all or a portion of the current amounts outstanding under the Credit Facility were made, the Corporation's current cash balance in Canada would be insufficient to pay such amount and the Corporation would be required to seek alternative sources of financing. Borrowings under the Credit Facility are secured by all of the assets and property of the Corporation and its material subsidiaries, and the eligible receivables and inventories of International Cobalt Company Inc., The Cobalt Refinery Company Inc., New Providence Metals Marketing Inc. and New Providence Metals Sales Inc., that form the borrowing base collateral.

In addition, the borrowing base of the Credit Facility on May 31, 2026, June 30, 2026, July 31, 2026, August 31, 2026 and September 30, 2026 was below the then aggregate borrowings including outstanding letters of credit and during the three months ended June 30, 2026 and September 30, 2026, the Corporation was not in compliance with certain covenants, as defined in the Credit Facility agreement. Refer to the Credit Facility section of note 12 for further details on the Credit Facility.

Subsequent to period end, on October 30, 2026, the Corporation did not pay interest of $11.5 million on the Amended Senior Secured Notes that was due and payable. A default in payment of interest will only constitute a continuing event of default under the Amended Senior Secured Notes if it remains outstanding for 30 days. Refer to the Non-payment of interest on Amended Senior Secured Notes section of note 19 for further details.

The Corporation is currently in discussions with its lenders, and some of its noteholders and equity holders to address the issues above and find a comprehensive long-term solution to these matters. The Corporation does not have existing liquidity or alternative financing sources at this time to repay all or a material portion of its indebtedness if it becomes due earlier than its current stated maturity as a result of an acceleration by one or more of its creditors; and while it has had a history of being able to refinance or extend its indebtedness in the past, its ability to do so in the current circumstances remains uncertain and is subject to factors that are outside of the Corporation's control.

As of April 2026, foreign currency payments from the Moa JV to the Corporation facilitated by the Moa Swap ceased as a result of reduced operations at the Moa JV which have reduced the Moa JV's cash available in major foreign currencies and resulted in the cessation of dividends from Energas to the Corporation in Canada. In addition, effective May 7, 2026, the Corporation suspended its direct participation in joint venture activities in Cuba following the issuance of the Executive Order by the U.S. administration expanding U.S. sanctions against Cuba.

Furthermore, on April 7, 2026, the Corporation issued 207.4 million common shares at a price of $0.21 per common share for gross cash proceeds of $43.6 million.

In addition, on May 20, 2026, Sherritt announced that it had entered into a non-binding term sheet with 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.

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 announced it had 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. The exclusivity period ended on October 12, 2026 and the Corporation continues to negotiate with Gillon Capital on the Gillon Private Placement.

Lastly, the Corporation is pursuing additional debt financing and other financing arrangements in order to improve its liquidity.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations associated with financial liabilities. Liquidity risk arises from the Corporation's financial obligations and in the management of its assets, liabilities and capital structure. The Corporation manages this risk by regularly evaluating its liquidity and using cash provided by operating activities and liquid assets to ensure its ability to fund current and non-current financial obligations and capital commitments for the foreseeable future in a cost-effective manner. Refer to note 12 for further details on the Corporation's Credit Facility and Amended Senior Secured Notes.

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

The Corporation's liquidity requirements are met through a variety of sources, including cash and cash equivalents, cash provided by operating activities, the Credit Facility, leases and debt and equity capital markets. As at September 30, 2026, the Corporation had nil available credit facilities (December 31, 2025 - $30.3 million).

Working capital is defined as the Corporation's current assets less current liabilities and was $(14.4) million as at September 30, 2026 (December 31, 2025 - $(10.0) million).

Financial obligation maturity analysis

The Corporation's significant contractual commitments, obligations, interest and principal repayments in respect of its financial liabilities, income taxes payable, provisions and lease liabilities are presented in the following table on an undiscounted basis:

Canadian $ millions, as at September 30, 2026	Total	Falling due within 1 year	Falling due between 1-2 years	Falling due between 2-3 years	Falling due between 3-4 years	Falling due between 4-5 years	Falling due in more than 5 years
Trade accounts payable and accrued liabilities	$ 250.0	$ 250.0	$ -	$ -	$ -	$ -	$ -
Income taxes payable	1.3	1.3	-	-	-	-	-
Amended Senior Secured Notes (includes principal, interest and Scheduled Repurchases)	363.7	35.7	39.7	35.5	18.9	18.9	215.0
Credit Facility	61.8	61.8	-	-	-	-	-
Other non-current financial liabilities	1.0	-	-	-	-	0.4	0.6
Provisions	250.8	21.2	9.9	2.9	0.4	0.2	216.2
Energas payable[1]	92.3	-	92.3	-	-	-	-
Lease liabilities	2.3	0.8	0.5	0.6	0.2	0.2	-
Total	$ 1,023.2	$ 370.8	$ 142.4	$ 39.0	$ 19.5	$ 19.7	$ 431.8

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

Trade accounts payable and accrued liabilities

Included in trade accounts payable and accrued liabilities falling due within one year is $8.4 million of trade accounts payable related to environmental rehabilitation costs for the Corporation's legacy Spanish Oil and Gas operations.

14. PROVISIONS AND CONTINGENCIES

Canadian $ millions, as at	**2026 September 30**	2025 December 31
Environmental rehabilitation provisions	**$ 138.5**	$ 109.1
Other provisions	**1.9**	1.9
	140.4	111.0
Current portion of provisions[1]	**(21.2)**	(5.3)
Non-current portion of provisions	**$ 119.2**	$ 105.7

(1) As at September 30, 2026, the current portion of provisions includes a current environmental rehabilitation provision of $20.1 million related to the Corporation's legacy Spanish Oil and Gas operations (December 31, 2025 - $4.5 million).

Environmental rehabilitation provisions

During the nine months ended September 30, 2026, a change in estimate resulted in a $34.0 million increase to the Corporation's environmental rehabilitation provision for the Corporation's legacy Spanish Oil and Gas operations and a corresponding loss included within the Corporation's consolidated loss on environmental rehabilitation provisions in cost of sales (note 6) primarily due to an increase in estimated rehabilitation costs for platform decommissioning work, including facilities removal, site remediation and monitoring costs. Rehabilitation work on the Corporation's legacy Spanish Oil and Gas operations was in progress during the nine months ended September 30, 2026 and is expected to continue until 2038. The provision for environmental rehabilitation is subject to estimation uncertainty primarily related to future rehabilitation requirements and cost inputs.

As at September 30, 2026 the Corporation estimates that it will require approximately $129.6 million in undiscounted cash flows to settle the Corporation's environmental rehabilitation provision for legacy Spanish Oil and Gas operations.

Refer to note 13 for the Corporation's financial obligation maturity analysis table which discloses the Corporation's contractual commitments related to its consolidated provisions by year.

Contingencies

A number of the Corporation's subsidiaries have operations located in Cuba. The United States of America has maintained a general 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. 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. All Presidents of the United States in office since the enactment of the Helms-Burton Act suspended Title III for successive six-month periods until the first administration of President Trump 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, President Biden issued a six-month suspension of Title III prior to leaving office, however, President Trump 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. Recent decisions by the U.S. Supreme Court issued in June 2026 recognized expanded liability and standing under Title III of Helms-Burton, potentially increasing the number of possible claims that could be filed against the Corporation in U.S. courts under Title III of Helms-Burton.

Until recently, Sherritt had not been directly or indirectly subjected to any lawsuits in this regard. Sherritt is aware that on July 29, 2026, U.S. entity Cuban Electric Company initiated a lawsuit under Title III of Helms-Burton against Unión Eléctrica and Energas S.A. Sherritt indirectly holds a one-third interest in Energas S.A., a Cuban joint venture established to process raw natural gas and generate electricity for sale to the Cuban national electrical grid. Cuban state-owned entities Unión Eléctrica and Unión Cubapetróleo hold the remaining two-thirds interest. Sherritt is not a named defendant in the lawsuit and is currently assessing the lawsuit's claims. Plaintiffs have not effectuated service on defendants as of the date of this filing. Furthermore, Sherritt believes its current minimal contacts with the United States would likely deprive any U.S. court of personal jurisdiction over Sherritt, although it is possible that a U.S. court could disagree with this conclusion. 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.

In addition to the above matter, the Corporation and its subsidiaries are also subject to routine legal proceedings and tax audits. The Corporation does not believe that the outcome of any of these matters, individually or in aggregate, would have a material adverse effect on its consolidated net earnings (loss), financial position or cash flows.

15. COMMITMENTS FOR PROPERTY, PLANT AND EQUIPMENT EXPENDITURES

Canadian $ millions, as at September 30		2026
Property, plant and equipment commitments	$	1.0
Moa Joint Venture[1]:		
Property, plant and equipment commitments - Sustaining and growth		13.4
Property, plant and equipment commitments - Tailings facility		1.3

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

16. SUPPLEMENTAL CASH FLOW INFORMATION

Net change in non-cash working capital

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

Canadian $ millions	For the three months ended **2026 September 30**	2025 September 30	For the nine months ended **2026 September 30**	2025 September 30
Trade accounts receivable, net[1]	**$ (13.3)**	$ 21.4	**$ (4.3)**	$ 72.8
Inventories[2]	**(3.1)**	(6.5)	**(3.3)**	(11.5)
Prepaid expenses	**(3.1)**	(4.3)	**(14.3)**	(4.4)
Trade accounts payable and accrued liabilities	**7.9**	(27.1)	**59.0**	(43.1)
Deferred revenue	**(1.3)**	16.1	**(9.9)**	8.1
	$ (12.9)	$ (0.4)	**$ 27.2**	$ 21.9

(1) Trade accounts receivable, net includes adjustments of nil for the three and nine months ended September 30, 2026 for Proceeds from Cobalt Swap presented separately in the condensed consolidated statements of cash flow (nil and $(6.2) million for the three and nine months ended September 30, 2025, respectively).

(2) Inventories include adjustments of nil for the three and nine months ended September 30, 2026 for non-cash finished cobalt cost of sales pursuant to the Cobalt Swap presented separately in the condensed consolidated statements of cash flow (nil and $(4.7) million for the three and nine months ended September 30, 2025, respectively).

During the three and nine months ended September 30, 2026, the Corporation received $36.6 million and $165.3 million of cash receipts for nickel, cobalt and fertilizer sales and other working capital items from the Moa JV, respectively, 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 (note 1) which are 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 in the table above and settled through the incurrence of costs by the Corporation on behalf of the Moa JV's Canadian operations.

Refer to note 18 for further details on the outstanding balance of accounts payable to the Moa JV as at September 30, 2026.

Non-cash financing activities

During the three and nine months ended September 30, 2026, the Corporation had nil non-cash financing activities.

During the three and nine months ended September 30, 2025, all of the outstanding Second Lien Notes in the principal amount of $221.3 million and all of the outstanding PIK Notes in the principal amount of $70.3 million were exchanged and extinguished for Amended Senior Secured Notes with a principal amount of $266.1 million. Additionally, $17.1 million of Amended Senior Secured Notes were exchanged and extinguished for 99 million common shares of the Corporation issued from treasury with a fair value of $13.9 million (note 17).

17. SHAREHOLDERS' EQUITY

Capital stock

The Corporation's common shares have no par value and the authorized share capital is composed of an unlimited number of common shares.

During the nine months ended September 30, 2026, the Corporation issued 207,425,508 common shares at a price and fair value of $0.21 per common share for gross cash proceeds of $43.6 million and incurred transaction costs of $1.1 million. As a result, the Corporation recognized a net $42.5 million increase in capital stock during the nine months ended September 30, 2026.

Canadian $ millions, except share amounts	**For the nine months ended 2026 September 30**		For the year ended 2025 December 31	
	Number	**Capital stock**	Number	Capital stock
Balance, beginning of the period	**496,288,680**	**$ 2,908.8**	397,288,680	$ 2,894.9
Issuance of common shares, net of transaction costs	**207,425,508**	**42.5**	99,000,000	13.9
Stock options exercised	**253,236**	**0.1**	-	-
Balance, end of the period	**703,967,424**	**$ 2,951.4**	496,288,680	$ 2,908.8

18. RELATED PARTY TRANSACTIONS

The Corporation and its subsidiaries provide goods, labour, advisory and other administrative services to jointly controlled entities (note 7) at fair value. The Corporation and its subsidiaries also market, pursuant to sales agreements, a portion of the nickel, cobalt and certain by-products produced by and purchased from certain jointly controlled entities.

Balances and transactions between the Corporation and its wholly-owned subsidiaries, which are related parties of the Corporation, have been eliminated and are not disclosed in this note.

Canadian $ millions, as at	Note	**2026 September 30**	2025 December 31
Accounts receivable from Moa JV	10	**$ 79.2**	$ 16.9
Accounts payable to Moa JV		**145.3**	61.2

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

Refer to note 16 for further details on accounts payable to the Moa JV during the three and nine months ended September 30, 2026.

During the nine months ended September 30, 2026, the Corporation issued 1.1 million common shares of the Corporation to key management personnel at a price of $0.21 per common share for gross cash proceeds of $0.2 million. All cash proceeds were received during the nine months ended September 30, 2026 and no amounts are outstanding.

19. SUBSEQUENT EVENTS

Temporary workforce layoffs

Following the cessation of mining and refining activities at the Moa JV in late June 2026 as a result of the Executive Order (note 1), in early November 2026, the Corporation temporarily laid off approximately 280 employees, representing 47% of the Canadian workforce, for an approximate 90-day period beginning November 16, 2026 as part of ongoing measures to preserve liquidity.

Non-payment of interest on Amended Senior Secured Notes

On October 30, 2026, the Corporation did not pay interest of $11.5 million on the Amended Senior Secured Notes that was due and payable. Overdue interest bears interest at a rate of 9.25%. Under the terms of the Amended Senior Secured Notes indenture, failure to make a scheduled interest payment results in a continuing event of default if the interest payment remains unpaid for 30 days after the due date. Upon the occurrence of such a continuing event of default, noteholders representing at least 25% of the outstanding principal amount of the Amended Senior Secured Notes may direct the trustee to declare the notes immediately due and payable or noteholders themselves may issue a notice to the Corporation. In addition, the trustee may exercise enforcement rights, including rights against pledged collateral. Enforcement rights by the noteholders are subject to a 180-day standstill period, as provided in the inter-creditor agreement, and further subject to limitation if the Credit Facility lenders have already commenced enforcement action against all or a material portion of the collateral.

Credit Facility repayment

The Corporation repaid $7.8 million on the Credit Facility.

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