

# Sherritt Reports Second Quarter 2025 Results and Updated Guidance; Moa JV Expansion Phase Two Ramp Up Commencing; Further Cost Reductions

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[Sherritt International Corporation](#) ("Sherritt", the "Corporation") (TSX: S), a world leader in using hydrometallurgical processes to mine and refine nickel and cobalt - metals deemed critical for the energy transition - today reported its financial results for the three and six months ended June 30, 2025. All amounts are in Canadian dollars unless otherwise noted.

Leon Binedell, Executive Chairman, President and CEO of Sherritt commented, "Extensive challenges within Cuba's operating environment spurred by the escalating U.S. policies against Cuba are continuing unabated, which have directly impacted our Cuban operations and particularly at Moa, resulting in lower than expected production of mixed sulphides. Sherritt has implemented mitigation strategies to protect our interests and operations in Cuba and has a history of overcoming these challenges in collaboration with our partners. We have confidence that we will overcome the current situation; however, it may take additional time to resolve these near-term challenges and to meet our full expansion potential at Moa."

"Our ability to supplement the Moa JV's production of mixed sulphides with third-party feed to the refinery is very limited as current available feeds are no longer economical due to high Chinese payabilities for intermediate feeds. As a result, we need to lower our Metals production guidance for this year to reflect these realities.

"In addition to the recovery plan being implemented in alignment with our partners - which includes additional expatriate personnel at Moa, and drilling a replacement gas well for CUPE to maintain Energas power production - we have also implemented additional significant cost reduction measures at Sherritt. These measures, including a workforce reduction, are expected to realize approximately \$20 million in annualized savings and are in addition to the \$17 million annualized savings from the cost reduction measures already taken last year. This decision follows a thorough evaluation of possible cost reduction impacts including an analysis of the potential risks.

"The debt and equity transactions we closed during the quarter strengthened our balance sheet, reduced our outstanding debt obligations, decreased our annual interest expense and extended our debt maturity to late 2031 providing a solid foundation and increased flexibility for future growth. While nickel price remains under pressure, we expect our corrective actions and the completion of the Moa JV's phase two expansion to translate into stronger performance ahead. We remain confident in our strategy and long-term outlook and remain well positioned to capitalize on a market recovery."

## SECOND QUARTER 2025 SELECTED DEVELOPMENTS

- Closed strategic transactions to consolidate the Corporation's debt, significantly extending the maturity to November 2031, strengthening the Corporation's capital structure by reducing debt obligations by \$68.0 million<sup>(2)</sup> and decreasing annual interest expense by approximately \$3.0 million.
- Finished nickel and cobalt production at the Moa Joint Venture ("Moa JV") was 3,431 tonnes and 389 tonnes, respectively (Sherritt's share<sup>(1)</sup>).
- Finished nickel and cobalt sales were 3,256 tonnes and 380 tonnes, respectively.
- Net direct cash cost ("NDCC")<sup>(3)</sup> was US\$5.27/lb benefiting from higher cobalt, fertilizer and other by-product credits and lower maintenance cost.

- Electricity production was 176 GWh. As planned, the Varadero facility continues to operate in frequency control to help support the stability of the Cuban national power grid. Energas S.A. ("Energas") expects to be fully compensated for the Varadero facility operating in frequency control throughout most of 2025. In addition, Unión Cubapetróleo ("CUPET") is continuing to advance work to replace declining gas production from one of its legacy wells. Lower gas production from the compromised CUPET gas well continues to be partly offset by increased gas production from the new well that came online in Q4 2024. A replacement well is expected to be in production in Q3 2025.
- Electricity unit operating cost<sup>(3)</sup> was \$24.80/MWh primarily reflecting lower planned maintenance and the impact of lower electricity production and sales.
- Net earnings from continuing operations was \$10.4 million, or \$0.02 per share.
- Adjusted net loss from continuing operations<sup>(3)</sup> was \$25.6 million or \$(0.06) per share which primarily excludes \$32.4 million gain on Sherritt's debt and equity transactions completed in the quarter.
- Adjusted EBITDA<sup>(3)</sup> was \$2.6 million.
- Updates to 2025 guidance:
  - At Metals, as a result of significant challenges in the general operating environment in Cuba resulting in materially lower production of mixed sulphides feed in the first half of the year coupled with limited availability of profitable third-party feeds due to high Chinese payabilities for intermediate feeds, Sherritt is lowering its full year production guidance range. Sherritt still anticipates higher second half production on the back of the commissioning and ramp up of the sixth leach train at Moa and with the implementation of a recovery plan agreed to by the joint venture partners that would also see greater expat involvement in the recovery efforts in Cuba. Sherritt has revised its finished nickel production guidance range from 31,000 to 33,000 tonnes to 27,000 to 29,000 tonnes and its finished cobalt production guidance range from 3,300 to 3,600 tonnes to 3,000 to 3,200 tonnes. The revised guidance ranges reflect limited third-party feed due to the market dynamics mentioned and lower than originally forecast mixed sulphides production from Moa as the impact of near-term challenges from the decline in operating environment is expected to take time to mitigate despite the increased capacity from the expansion being available in the second half of the year.
  - In light of the continued challenging operating and nickel pricing environment, opportunities to decrease or defer certain capital spending items are being implemented at Metals. As a result, 2025 guidance for sustaining capital has been reduced from \$35.0 million to \$30.0 million and the tailings facility spending has been reduced from \$40.0 million to \$35.0 million. The lower 2025 spending on the new tailings facility is a deferral of spending; overall spending for the project remains unchanged with the timeline for commissioning still on track and expected in the second half of 2026.
  - At Power, the guidance range for electricity production is unchanged. With the interruption of gas supply from a legacy CUPET well, estimated electricity production for the year is expected to be at the lower end of the 2025 guidance range of 800 GWh to 850 GWh. The loss of gas from the compromised well is being partially mitigated with gas from other wells and CUPET is actively working to replace gas production with a new well in Q3.
  - The NDCC<sup>(3)</sup> and unit operating cost<sup>(3)</sup> ranges in Metals and Power, respectively, as well as spending on capital in Power remain unchanged.
- Available liquidity in Canada as at June 30, 2025 was \$45.0 million.
- Power dividends in Canada were \$5.6 million in Q2 2025, totaling \$9.9 million for the six months ended June 30, 2025.
- The Corporation's syndicated revolving-term credit facility maturity was extended by one year from April 30, 2026 to April 30, 2027. There were no other significant changes to the terms, financial covenants or restrictions.
- Phase two of the Moa JV expansion is in the final stage of commissioning activities. Ramp up remains expected for H2 2025.
- Copper Mark: In May 2025, Sherritt received confirmation it became a Participant of the Copper Mark as it aims to obtain The Nickel Mark award for its refinery in Fort Saskatchewan. The Nickel Mark is part of the Copper Mark assurance framework that supports responsible production practices and demonstrates commitment to the green transition across the value chains of copper, nickel, molybdenum and zinc. For Sherritt, participation in this assurance process is an essential part of its strategic focus to build customer and key stakeholder value in the critical minerals industry.

References to operational and financial metrics in this press release, unless otherwise indicated, are to "Sherritt's share" which is consistent with the Corporation's definition of reportable segments for financial statement purposes. Sherritt's share of "Metals" includes the Corporation's 50% interest in the Moa JV, its 100% interest in the utility and fertilizer operations in Fort Saskatchewan ("Fort Site") and its 100% interests in subsidiaries established to buy, market and sell certain of the Moa JV's nickel and cobalt production and (1) the Corporation's cobalt inventory received under the Cobalt Swap agreement ("Metals Marketing"). Sherritt's share of Power includes the Corporation's 33.7% interest in 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.

Principal amount of Second Lien Notes and PIK Notes at the transaction date and the premium required to (2) be paid on maturity of the Second Lien Notes in November 2026, net of the principal amount of Amended Senior Secured Notes issued. See the Capital Resources section of the MD&A for details.

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

## DEVELOPMENTS SUBSEQUENT TO THE QUARTER

### Organizational cost reductions

Amid persistent multi-year lows in nickel prices and a materially lower short- to medium-term pricing outlook due to a global slowdown in the EV supply chain expansion outside of China, coupled with the ongoing challenges associated with the operating environment in Cuba, Sherritt has implemented further significant cost reduction measures. These significant measures include, but are not limited to, a 10% workforce reduction, across the Canadian operations with a focus on non-operating roles. The cost reduction initiatives are anticipated to deliver approximately \$20.0 million in annualized savings (100% basis) and are in addition to the \$17.0 million in annualized savings (100% basis) achieved through the 2024 initiatives.

Over the past several years, Sherritt has rigorously pursued cost optimization, including a 10% workforce reduction at its Corporate office in May 2021, a 10% workforce reduction across Canadian operations in January 2024 and a further 10% workforce reduction at its Corporate office in May and July 2024. The executive management team has also been streamlined from seven members at the start of 2024 to five members currently. These efforts, along with Sherritt's ongoing pursuit of cost optimization opportunities, demonstrate the Corporation's commitment to building a leaner, more resilient organization capable of weathering the current challenging market conditions, while continuing to manage and mitigate the risks associated with Sherritt's operations and Cuban investments.

## Q2 2025 FINANCIAL HIGHLIGHTS

	For the three months ended		For the six months ended	
	2025	2024	2025	2024
\$ millions, except per share amount	June 30	June 30	Change June 30	Change June 30
Revenue	\$ 43.7	\$ 51.4	(15%)	\$ 82.1
Combined revenue <sup>(1)</sup>	135.6	163.2	(17%)	261.3
Loss from operations and joint venture	(19.4)	(1.9)	(921%)	(51.2)
Net earnings (loss) from continuing operations	10.4	(11.5)	190%	(30.2)
Net earnings (loss) for the period	10.2	(11.5)	189%	(30.4)
Adjusted EBITDA <sup>(1)</sup>	2.6	13.0	(80%)	7.0
Adjusted loss from continuing operations <sup>(1)</sup>				



(25.6)





(156%)













Net earnings (loss) from continuing operations (\$ per share)	0.02	(0.03)	167%	(0.07)
Adjusted loss from continuing operations (\$ per share) <sup>(1)</sup>	(0.06)	(0.03)	(100%)	(0.11)
Cash provided (used) by continuing operations for operating activities	5.6	(37.8)	115%	6.6
Combined free cash flow <sup>(1)</sup>	2.8	(27.0)	110%	(3.8)
Average exchange rate (CAD/US\$)	1.384	1.368	1%	1.409
			2025	2024
\$ millions, as at			June 30	December 31
Cash and cash equivalents				
Canada			\$ 14.7	\$ 30.3
Cuba <sup>(2)</sup>			106.4	111.4
Other			0.5	0.1
			121.6	111.4
Loans and borrowings			315.7	305.0

The Corporation's share of cash and cash equivalents in the Moa Joint Venture, not included in the above balances: \$ 21.7 million as at June 30, 2025.

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

(2) As at June 30, 2025, \$103.8 million of the Corporation's cash and cash equivalents was held by Energas (December 31, 2024 - \$111.4 million).

Cash and cash equivalents were \$121.6 million as at June 30, 2025 compared to \$135.6 million as at March 31, 2025.

As at June 30, 2025, total available liquidity in Canada was \$45.0 million, composed of cash and cash equivalents in Canada of \$14.7 million and available credit facilities of \$30.3 million compared to \$55.7 million as at March 31, 2025. During the quarter, Sherritt received \$5.6 million of dividends from Energas in Canada for a total of \$9.9 million in the first half of 2025 and cash provided by operating activities primarily reflecting timing of working capital receipts and payments including timing of maintenance at Power. Offsetting these inflows, Sherritt paid \$8.7 million of interest on the Second Lien Notes, \$10.3 million of transaction costs on the Debt and Equity Transactions, \$4.4 million of expenditures on property, plant and equipment and \$6.2 million on contractually obligated environmental rehabilitation costs related to legacy Oil and Gas assets in Spain.

At current spot nickel prices, and based on revised 2025 guidance for Metals, (please refer to the Outlook section of this press release for further details), the Corporation expects that distributions under the Cobalt Swap<sup>(2)</sup> agreement will be limited, commence in the fourth quarter of 2025 and will not meet the annual minimum amount in 2025.

The Moa JV's cash and cobalt distributions to the Corporation are determined based on available cash in excess of liquidity requirements. Determinants of the Moa JV's liquidity include but are not limited to, anticipated nickel and cobalt prices and sales volumes, spending on capital at the Moa JV, financing, working capital, and other liquidity requirements. Available cash is also impacted by changes in working capital primarily related to changes in inventory, and timing of receipts and payments, including receipts on nickel and cobalt sales subsequent to shipment.

Based on 2025 guidance for Power which includes electricity production that is expected to be at the lower

end of the guidance range, (please refer to the Outlook section of this press release for further details), Sherritt expects total dividends from Energas in Canada in 2025 to be at the lower end of its previously disclosed range of \$25.0 million and \$30.0 million.

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

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

#### Debt and Equity Transactions

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

#### Corporate update

Sir Richard Lapthorne retired from the Corporation's Board of Directors for personal reasons on June 9, 2025. Richard Moat was appointed to the Board prior to the Corporation's annual meeting of shareholders in June (the "Meeting") following the retirement of Steven Goldman who did not seek reelection at the Meeting. All six director nominees standing for election were elected as directors at the Meeting. To fill the vacancy on the Board resulting from Sir Richard Lapthorne's retirement and consistent with the Corporation's ongoing commitment to good governance and Board renewal, following the Meeting, the Board appointed John Ewing as a director of the Corporation, Leon Binedell was appointed Executive Chairman and Shelley Brown, an independent director of Sherritt since August 2024, was named Lead Independent Director.

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

(2) For additional information on the Cobalt Swap, see Note 12 - Advances, loans receivable and other financial assets of the consolidated financial statements for the year ended December 31, 2024.

#### REVIEW OF OPERATIONS

##### Metals

	For the three months ended		For the six months ended	
	2025	2024	2025	2024
\$ millions (Sherritt's share), except as otherwise noted	June 30	June 30	Change June 30	June 30
<b>FINANCIAL HIGHLIGHTS<sup>(1)</sup></b>				
Revenue	\$ 124.7	\$ 150.6	(17%)	\$ 238.4

Cost of sales	130.1	144.5	(10%)	249.2	2
(Loss) earnings from operations	(7.4)	2.7	(374%)	(16.0)	(1
Adjusted EBITDA <sup>(2)</sup>	7.8	18.0	(57%)	13.3	1
<b>CASH FLOW<sup>(1)</sup></b>					
Cash provided by continuing operations for operating activities <sup>(2)</sup>	\$ 20.0	\$ 21.2	(6%)	\$ 41.9	\$ 5
Free cash flow <sup>(2)</sup>	6.4	13.5	(53%)	17.8	3
<b>PRODUCTION VOLUMES (tonnes)</b>					
Mixed sulphides ("MSP") <sup>(3)</sup>	3,238	4,095	(21%)	6,395	8
Finished nickel	3,431	3,383	1%	6,378	6
Finished cobalt	389	342	14%	712	6
Fertilizer	65,207	60,355	8%	121,027	1
<b>NICKEL RECOVERY<sup>(4)</sup> (%)</b>	83%	88%	(6%)	84%	8
<b>SALES VOLUMES (tonnes)</b>					
Finished nickel	3,256	3,791	(14%)	6,695	7
Finished cobalt	380	390	(3%)	836	7
Fertilizer	44,614	60,682	(26%)	77,734	8
<b>AVERAGE-REFERENCE PRICE<sup>(5)</sup> (US\$ per pound)</b>					
Nickel	\$ 6.88	\$ 8.35	(18%)	\$ 6.97	\$ 7
Cobalt	17.50	13.34	31%	15.24	1
<b>AVERAGE-REALIZED PRICE<sup>(2)</sup> (CAD)</b>					
Nickel (\$ per pound)	\$ 9.57	\$ 11.25	(15%)	\$ 9.78	\$ 1
Cobalt (\$ per pound)	18.19	14.32	27%	15.51	1
Fertilizer (\$ per tonne)	674.44	574.70	17%	591.10	5
<b>UNIT OPERATING COST<sup>(2)</sup> (US\$)</b>					
Nickel - net direct cash cost (US\$ per pound)	\$ 5.27	\$ 5.75	(8%)	\$ 5.64	\$ 6
<b>SPENDING ON CAPITAL<sup>(2)</sup>(CAD)</b>					
Sustaining					
Moa JV (50% basis), Fort Site (100% basis)	\$ 7.6	\$ 4.6	65%	\$ 16.4	\$ 1
Moa JV - Tailings facility (50% basis)	5.0	2.8	79%	9.8	3
Growth - Moa JV (50% basis)	2.3	0.4	475%	4.0	2
	\$ 14.9	\$ 7.8	91%	\$ 30.2	\$ 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, (1) and the components of free cash flow (cash provided (used) by continuing operations for operating activities and Property, plant and equipment expenditures) for each of these operations are included in the Combined Revenue, Adjusted EBITDA and Free cash flow reconciliations, respectively, in the Non-GAAP and other financial measures section of this press release.

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

(3) Mixed sulphides = mixed sulphide precipitate (MSP).

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

(5) Reference sources: Nickel - London Metal Exchange ("LME"). Cobalt - Average chemical-grade cobalt price published per Argus.

#### Revenue

Metals revenue in Q2 2025 was \$124.7 million compared to \$150.6 million in Q2 2024.

Nickel revenue in Q2 2025 was \$68.6 million compared to \$94.0 million in Q2 2024. Revenue was lower primarily due to lower average-realized price<sup>(1)</sup> and lower sales volume. The average-realized price<sup>(1)</sup> of nickel of \$9.57/lb was 15% lower compared to Q2 2024. Sales volume of 3,256 tonnes in line with production, and was 14% lower compared to Q2 2024 when sales volumes exceeded production recovering from the depressed market conditions in 2023 which led to an inventory build up.

Cobalt revenue in Q2 2025 was \$15.2 million compared to \$12.3 million in Q2 2024 as the higher average-realized price<sup>(1)</sup> more than offset the lower sales volume. The average-realized price<sup>(1)</sup> of cobalt of \$18.19/lb was 27% higher compared to Q2 2024. Sales volume of 380 tonnes, was 3% lower compared to Q2 2024.

Fertilizer revenue in Q2 2025 was \$30.0 million compared to \$34.8 million in Q2 2024. The average-realized price<sup>(1)</sup> of fertilizers of \$674.44/tonne was 17% higher compared to Q2 2024. Sales volume of 44,614 tonnes was 26% lower compared to Q2 2024. While overall customer demand was lower for the 2025 spring planting season, the sales volumes during Q2 2025 also reflect the timing of customer purchases. During Q1 2025 sales volumes were 39% higher year-over-year reflecting accelerated purchases which were weighted more heavily toward the first quarter this year.

#### Cobalt Swap

There were no sales of cobalt from the Cobalt Swap in either Q2 2025 or Q2 2024. In the six months ended June 30, 2025 Sherritt sold 173 tonnes (100% basis) of finished cobalt that it received in Q4 2024 under the Cobalt Swap agreement recognizing revenue of \$4.7 million compared to sales of 23 tonnes (100% basis) and revenue of \$0.9 million in the same period in 2024.

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

While the timing of the sales under the Cobalt Swap or by Moa JV directly results in variances in sales volumes, revenue and cost of sales, it does not have a material impact on earnings from operations, average-realized prices<sup>(1)</sup>, cobalt by-product credits<sup>(2)</sup>, or NDCC<sup>(1)</sup>. This is because the variance in revenue and costs of Sherritt's share of cobalt under the Cobalt Swap is offset by Sherritt's share of revenue and costs of the Moa JV and the cost of cobalt sold on volumes of cobalt redirected from GNC is determined

based on the in-kind value of cobalt calculated as the cobalt reference price from the month preceding distribution less a mutually agreed selling cost adjustment.

At current spot nickel prices, and based on revised 2025 guidance for Metals, (please refer to the Outlook section of this press release for further details), the Corporation expects that distributions under the Cobalt Swap agreement will be limited, commence in the fourth quarter of 2025 and will not meet the annual minimum amount in 2025.

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

#### Production

Mixed sulphides production at the Moa JV in Q2 2025 was 3,238 tonnes compared to 4,095 tonnes in Q2 2024. The lower production in Q2 2025 was primarily attributable to the planned shutdown at the Acid Plant. Due to high acid prices and low nickel prices, the Moa JV elected to not purchase acid during this period which lowered MSP production by approximately 1,000 tonnes (100% basis). The general challenging operating environment in Cuba, due to the challenging economic conditions experienced in the country, continue to negatively impact MSP production. Sherritt and its Cuban partner have agreed on a recovery plan which includes an increase in expatriate personnel. The recovery efforts, coupled with the ramp up of the sixth leach train at Moa is expected to increase MSP production in the second half of the year. Recovery efforts will take time to implement as outlined in the revised 2025 guidance.

Sherritt's share of finished nickel and cobalt production in Q2 2025 was 3,431 tonnes and 389 tonnes, compared to 3,383 tonnes and 342 tonnes, respectively, in Q2 2024. In the Q2 2025, production was primarily impacted by lower mixed sulphides feed availability from Moa which could not be offset by third-party feeds due to unprofitably high payabilities in the intermediate market. In 2025, Sherritt expects its annual maintenance shutdown will take place in September.

Fertilizer production in Q2 2025 of 65,207 tonnes was 8% higher compared to Q2 2024 primarily due to improved equipment availability as a result of timing of maintenance activities.

#### NDCC<sup>(1)</sup>

NDCC<sup>(1)</sup> per pound of nickel sold in Q2 2025 was US\$5.27/lb, compared to US\$5.75/lb in Q2 2024. In Q2 2025, MPR/lb was slightly lower compared to Q2 2024 due to lower planned maintenance costs, lower natural gas, fuel oil and diesel prices, partly offset by higher sulphur prices. In Q2 2025, natural gas, fuel oil and diesel prices were 12%, 10% and 4% lower, respectively while sulphur prices were 40% higher compared to Q2 2024. Third-party feed costs were higher in Q2 2025 compared to the prior year period as a result of processing more third-party feed that was previously acquired. Cobalt by-product credits were higher primarily as a result of 27% higher average-realized cobalt price<sup>(1)</sup>. Fertilizer net by-product credits were higher as a result of 17% higher average-realized fertilizer prices<sup>(1)</sup> and lower planned maintenance costs in the current year period which more than offset lower fertilizer sales volumes.

#### Spending on capital<sup>(1)</sup>

Sustaining spending on capital in Q2 2025 was \$7.6 million compared to \$4.6 million in Q2 2024. The modestly higher spending during the current year is consistent with spending estimates for the first half of the year.

Sustaining spending on capital related to the tailings facility in Q2 2025 was \$5.0 million compared to \$2.8 million in Q2 2024.

Growth spending on capital in Q2 2025 was \$2.3 million compared to \$0.4 million in Q2 2024. The final spending on growth capital is planned to be incurred during ramp up of the Moa JV expansion.

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

(2) Cobalt by-product credits include Sherritt's share of cobalt revenue per pound of nickel sold only.

#### Expansion program and strategic developments

##### Moa JV expansion program

During the quarter, commissioning of phase two of the Moa JV expansion, the processing plant, continued. This work will be completed by mid-August with ramp up scheduled to occur in the third quarter. Additional MSP from the ramp up of phase two of the expansion is expected to begin to be processed at the refinery in the fourth quarter of this year.

The low capital intensity expansion program, which remains under budget, is expected to fill the refinery to nameplate capacity to maximize profitability from the joint venture's own mine feed, displacing lower margin third-party feeds and increasing overall finished nickel and cobalt production. The Moa JV could pursue further expansion opportunities at the refinery should sufficient positive margin third-party feeds be available to further expand finished nickel and cobalt production and expand cash flow generation capacity.

##### Strategic developments

Sherritt, through its mixed hydroxide precipitate processing project ("MHP Project"), has advanced a flowsheet to convert nickel intermediates via midstream processing to produce high-purity nickel and cobalt sulphates, two fundamental feedstock materials for the electric vehicle supply chain.

During the quarter, Sherritt received positive confirmation that the MHP Project was approved for funding of up to \$2.4 million through Emissions Reduction Alberta ("ERA")'s Advanced Materials Challenge that would support integrated piloting and demonstration of an innovative refining flowsheet at Sherritt's Fort Saskatchewan process technology site over a two-year project period.

As a result of the organization wide cost reduction initiative, work on this project will be paused until broader nickel market conditions improve and greater certainty on the timeline for development of the downstream electric vehicle supply chain in North America.

##### Power

	For the three months ended		For the six months ended	
	2025	2024	2025	2024
\$ millions (33 % basis), except as otherwise noted	June 30	June 30	Change June 30	June 30
<b>FINANCIAL HIGHLIGHTS</b>				
Revenue	\$ 10.6	\$ 11.8	(10%)	\$ 22.0
Cost of sales	5.0	9.3	(46%)	11.9
Earnings from operations	4.3	1.2	258%	7.0
Adjusted EBITDA <sup>(1)</sup>	5.0	1.8	178%	8.4
<b>CASH FLOW</b>				
Cash provided (used) by continuing operations for operating activities <sup>(1)</sup>	\$ 16.0	\$ (7.8)	305%	\$ 16.9

Free cash flow <sup>(1)</sup>	15.2	(9.3)	263%	16.0
<b>PRODUCTION AND SALES</b>				
Electricity (GWh <sup>(2)</sup> )	176	205	(14%)	346
<b>AVERAGE-REALIZED PRICE<sup>(1)</sup></b>				
Electricity (\$/MWh <sup>(2)</sup> )	\$ 52.56	\$ 52.00	1%	\$ 53.53
<b>UNIT OPERATING COSTS<sup>(1)</sup></b>				
Electricity (\$/MWh)	\$ 24.80	\$ 42.74	(42%)	\$ 31.03
<b>SPENDING ON CAPITAL<sup>(1)</sup></b>				
Sustaining	\$ 0.8	\$ 1.5	(47%)	\$ 0.9

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

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

#### Frequency control at Varadero

As a result of the nationwide power outages in Cuba in 2024 and challenges facing the national power grid, the government agency Unión Eléctrica ("UNE") required Energas to operate the Varadero facility in frequency control to help support the stability of the power grid. Energas expects that the Varadero facility will operate in frequency control throughout most of 2025 with an estimated reduction in electricity volume of approximately 150 GWh (Sherritt's share). Energas expects to be fully compensated for this reduction and therefore Sherritt expects there will be no impact to Power's Adjusted EBITDA<sup>(1)</sup>, earnings from operations or dividends from Energas to Sherritt in Canada. Energas' other facilities are expected to continue operating as usual.

#### Revenue

Revenue in Q2 2025 was \$10.6 million compared to \$11.8 million in Q2 2024. Revenue includes full compensation of \$0.7 million for the Varadero facility operating in frequency control during the quarter. Lower revenue was largely attributable to lower production as discussed below, partially offset by the weakening of the Canadian dollar which had a positive impact on the U.S. dollar-denominated average-realized price<sup>(1)</sup> of electricity.

#### Production

Production volume in Q2 2025 was 176 GWh compared to 205 GWh in Q2 2024. Lower electricity production was primarily a result of the Varadero facility operating in frequency control and the loss of gas production from one of CUPET's legacy gas wells which experienced an increase in water production in Q1 2025 impacting the amount of gas provided to the power facility. CUPET is actively working to replace production from the well with the development of a new gas well which is expected to be drilled in August and begin production in September. The decrease in gas supply during the quarter was partially offset by increased gas supply from other wells.

#### Unit operating cost<sup>(1)</sup>

Unit operating cost<sup>(1)</sup> in Q2 2025 was \$24.80/MWh compared to \$42.74/MWh in Q2 2024 primarily as a result of the timing of planned maintenance. In the current year, Power completed a major turbine inspection during Q1 while two major inspections were completed in Q2 2024. There are no additional major inspections planned during the balance of the year. A weaker Canadian dollar on U.S. dollar-denominated

costs and lower electricity volumes from the Varadero facility operating in frequency control in the current year period has a negative impact on unit operating cost<sup>(1)</sup>.

#### Spending on capital<sup>(1)</sup>

Spending on capital<sup>(1)</sup> was \$0.8 million in Q2 2025.

#### Dividends from Energas

Sherritt received \$5.6 million of dividends in Canada from Energas in Q2 2025 for a total of \$9.9 million in the first half of 2025. Based on 2025 guidance for Power which includes electricity production that is expected to be at the lower end of the guidance range, (please refer to the Outlook section of this press release for further details), Sherritt expects total dividends from Energas in Canada in 2025 to be at the lower end of its previously disclosed range of \$25.0 million and \$30.0 million. Refer to the risks related to Sherritt's corporate structure in the Corporation's 2024 Annual Information Form for further information on risks related to dividends in Canada from Energas.

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

#### OUTLOOK

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

	Guidance	Year-to-date Updated	
Production volumes, unit operating costs and spending on capital for 2025 -	actuals -	2025 guidance	
	Total	Total	- Total
<b>Production volumes</b>			
Metals - Moa JV (100% basis, tonnes)			
Finished nickel	31,000 - 33,000	12,756	27,000 - 29,000
Finished cobalt	3,300 - 3,600	1,424	3,000 - 3,200
Power - Electricity (33?% basis, GWh)	800 - 850	346	No change
<b>Unit operating costs<sup>(1)</sup></b>			
Metals - NDCC <sup>(1)</sup> (US\$ per pound)	\$5.75 - \$6.25	\$5.64	No change
Electricity - unit operating cost (\$ per MWh)	\$23.00 - \$24.50	\$31.03	No change
<b>Spending on capital<sup>(1)</sup>(\$ millions)</b>			
<b>Sustaining</b>			
Metals - Moa JV (50% basis), Fort Site (100% basis)	\$35.0	\$16.4	\$30.0
Metals - Moa JV - Tailings facility (50% basis)	\$40.0	\$9.8	\$35.0
Power (33?% basis)	\$2.0	\$0.9	No change
<b>Growth</b>			













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Metals - Moa JV (50% basis)	\$5.0	\$4.0	No change
Spending on capital <sup>(2)</sup>	\$82.0	\$31.1	\$72.0
Metals			

As a result of significant challenges in the general operating environment in Cuba resulting in materially lower production of mixed sulphides feed in the first half of the year coupled with limited availability of profitable third-party feeds due to high Chinese payabilities for intermediate feeds, Sherritt is lowering its full year production guidance range. Sherritt still anticipates higher second half production on the back of the commissioning and ramp up of the sixth leach train at Moa and with the implementation of a recovery plan agreed to by the joint venture partners that would also see greater expat involvement in the recovery efforts in Cuba. Sherritt has revised its finished nickel production guidance range from 31,000 to 33,000 tonnes to 27,000 to 29,000 tonnes and its finished cobalt production guidance range from 3,300 to 3,600 tonnes to 3,000 to 3,200 tonnes. The revised guidance ranges reflect limited third-party feed due to the market dynamics mentioned and lower than originally forecast mixed sulphides production from Moa as the impact of near-term challenges from the decline in operating environment is expected to take time to mitigate despite the increased capacity from the expansion being available in the second half of the year.

In light of the continued challenging operating and nickel pricing environment, opportunities to decrease or defer certain capital spending items are being implemented at Metals. As a result, 2025 guidance for sustaining capital has been reduced from \$35.0 million to \$30.0 million and the tailings facility spending has been reduced from \$40.0 million to \$35.0 million. The lower 2025 spending on the new tailings facility is a deferral of spending; overall spending for the project remains unchanged with the timeline for commissioning still on track and expected in the second half of 2026.

Based on NDCC<sup>(1)</sup> for the six months ended June 30, 2025 and estimated production volumes and costs to the end of the year, NDCC range of US\$5.75/lb to US\$6.25/lb, remains unchanged.

#### Power

The guidance range for electricity production is unchanged, with the interruption of gas supply from a legacy CUPET well, estimated electricity production for the year is expected to be at the lower end of the 2025 guidance range of 800 GWh to 850 GWh.

Based on unit operating cost<sup>(1)</sup> in the first half of 2025, and the absence of planned major maintenance activities in the second half of the year, Sherritt continues to expect unit operating cost<sup>(1)</sup> to be within the 2025 guidance range of \$23.00/MWh to \$24.50/MWh.

#### CONFERENCE CALL AND WEBCAST

Sherritt will hold its conference call and webcast July 30, 2025, at 10:00 a.m. Eastern Time to review its second quarter 2025 results. Dial-in and webcast details are as follows:

North American callers, please dial: 1 (800) 717-1738 Passcode: 22560

International callers, please dial: 1 (289) 514-5100 Passcode: 22560

Live webcast: [www.sherritt.com](http://www.sherritt.com)

Please dial in 15 minutes before the start of the call to secure a line. Alternatively, listeners can access the conference call and presentation via the webcast available on Sherritt's website.

An archive of the webcast and replay of the conference call will also be available on the website.

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

Sherritt's condensed consolidated financial statements and MD&A for the three and six months ended June 30, 2025 are available at [www.sherritt.com](http://www.sherritt.com) or on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). and should be read in conjunction with this news release. Financial and operating data can also be viewed in the investor relations section of Sherritt's website.

## NON-GAAP AND OTHER FINANCIAL MEASURES

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

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

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

## ABOUT SHERRITT

Sherritt is a world leader in using hydrometallurgical processes to mine and refine nickel and cobalt - metals deemed critical for the energy transition. Sherritt's Moa JV has an estimated mine life of approximately 25 years and is advancing an expansion program focused on increasing annual MSP production by 20% of contained nickel and cobalt. The Corporation's Power division, through its ownership in Energas, is the largest independent energy producer in Cuba with installed electrical generating capacity of 506 MW, representing approximately 10% of the national electrical generating capacity in Cuba. The Energas facilities are comprised of two combined cycle plants that produce low-cost electricity from one of the lowest carbon emitting sources of power in Cuba. Sherritt's common shares are listed on the Toronto Stock Exchange under the symbol "S".

## FORWARD-LOOKING STATEMENTS

This press release contains certain forward-looking statements. Forward-looking statements can generally be identified by the use of statements that include such words as "believe", "expect", "anticipate", "intend", "plan", "forecast", "likely", "may", "will", "could", "should", "suspect", "outlook", "potential", "projected", "continue" or other similar words or phrases. Specifically, forward-looking statements in this document include, but are not limited to, statements regarding strategies, plans and estimated production amounts resulting from expansion of mining operations at the Moa JV; growing and increasing nickel and cobalt production, including increasing MSP production; the Moa JV expansion program update as it relates to the Processing Plant; statements set out in the "Outlook" section of this press release; certain expectations regarding production volumes and increases, inventory levels, operating costs, capital spending and intensity, including amount and timing of spending on tailings management; sales volumes; revenue, costs and earnings; significant liquidity improvement following completion of debt and equity transactions reducing outstanding debt and extending maturities; challenges with foreign currency constraints; the availability of additional gas supplies and timing for addressing the current supply interruption of gas to be used for power generation; the amount and timing of dividend distributions from the Moa JV, including in the form of finished cobalt or cash under the Cobalt Swap; the amount and timing of dividend distributions from Energas; growing shareholder value; expected annualized savings from cost reduction measures and workforce reduction; sufficiency of working capital management and capital project funding; strengthening the Corporation's capital structure and amounts of certain other commitments.

Forward-looking statements are not based on historical facts, but rather on current expectations,

assumptions and projections about future events, including commodity and product prices and demand; the level of liquidity and access to funding; share price volatility; nickel, cobalt and fertilizer production results and realized prices; current and future demand products produced by Sherritt; 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; risks related to the U.S. government policy toward Cuba; current and future economic conditions in Cuba; the level of liquidity and access to funding; Sherritt share price volatility; and certain corporate objectives, goals and plans for 2025. By their nature, forward-looking statements require the Corporation to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions, forecasts, conclusions or projections will not prove to be accurate, that the assumptions may not be correct and that actual results may differ materially from such predictions, forecasts, conclusions or projections.

The Corporation cautions readers of this press release not to place undue reliance on any forward-looking statement as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements. These risks, uncertainties and other factors include, but are not limited to, commodity risks related to the production and sale of nickel cobalt and fertilizers; security market fluctuations and price volatility; level of liquidity of Sherritt, including access to capital and financing; the ability of the Moa JV to pay dividends; the risk to Sherritt's entitlements to future distributions (including pursuant to the Cobalt Swap) from the Moa JV; risks related to Sherritt's operations in Cuba; risks related to the U.S. government policy toward Cuba, including the U.S. embargo on Cuba and the Helms-Burton legislation; political, economic and other risks of foreign operations, including the impact of geopolitical events on global prices for nickel, cobalt, fertilizers, or certain other commodities; uncertainty in the ability of the Corporation to enforce legal rights in foreign jurisdictions; uncertainty regarding the interpretation and/or application of the applicable laws in foreign jurisdictions; risk of future non-compliance with debt restrictions and covenants; risks related to environmental liabilities including liability for reclamation costs, tailings facility failures and toxic gas releases; compliance with applicable environment, health and safety legislation and other associated matters; risks associated with governmental regulations regarding climate change and greenhouse gas emissions; risks relating to community relations; maintaining social license to grow and operate; uncertainty about the pace of technological advancements required in relation to achieving ESG targets; risks to information technologies systems and cybersecurity; risks associated with the operation of large projects generally; risks related to the accuracy of capital and operating cost estimates; the possibility of equipment and other failure; potential interruptions in transportation; identification and management of growth opportunities; the ability to replace depleted mineral reserves; risks associated with the Corporation's joint venture partners; variability in production at Sherritt's operations in Cuba; risks associated with mining, processing and refining activities; 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 failures; 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 2025; 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 JV, is pursuing a range of growth and expansion opportunities, including without limitation, process technology solutions, development projects, commercial implementation opportunities, life of mine extension opportunities and the conversion of mineral resources to reserves. In addition to the risks noted above, factors that could, alone or in combination, prevent the Corporation from successfully achieving these opportunities may include, without limitation: identifying suitable commercialization and other partners; successfully advancing discussions and successfully concluding applicable agreements with external parties and/or partners; successfully attracting required financing; successfully developing and proving technology required for the potential opportunity; successfully overcoming technical and technological challenges; successful environmental assessment and stakeholder engagement; successfully obtaining intellectual property protection; successfully completing test work and engineering studies, prefeasibility and feasibility studies, piloting, scaling from small scale to large scale production, procurement, construction, commissioning, ramp-up to commercial scale production and

completion; and securing regulatory and government approvals. There can be no assurance that any opportunity will be successful, commercially viable, completed on time or on budget, or will generate any meaningful revenues, savings or earnings, as the case may be, for the Corporation. In addition, the Corporation will incur costs in pursuing any particular opportunity, which may be significant.

Readers are cautioned that the foregoing list of factors is not exhaustive and should be considered in conjunction with the risk factors described in the Corporation's other documents filed with the Canadian securities authorities, including without limitation the "Managing Risk" section of the Management's Discussion and Analysis for the three and six months ended June 30, 2025 and the Annual Information Form of the Corporation dated March 24, 2025 for the period ending December 31, 2024, which is available on SEDAR+ at [www.sedarplus.ca](http://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 press release and in the Corporation's other documents filed with the Canadian securities authorities should be read for a description of certain factors that could cause the actual results of the Corporation to differ materially from those in the oral forward-looking statements. The forward-looking information and statements contained in this press release are made as of the date hereof and the Corporation undertakes no obligation to update publicly or revise any oral or written forward-looking information or statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. The forward-looking information and statements contained herein are expressly qualified in their entirety by this cautionary statement.

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

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

The non-GAAP and other financial measures are reconciled in the sections below to the most directly comparable IFRS Accounting Standards as presented in the condensed consolidated financial statements for the three and six months ended June 30, 2025.

##### Combined revenue

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

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

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

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











	For the three months ended		For the six months ended		
	2025	2024	2025	2024	
	\$ millions	June 30	June 30	Change June 30	June 30
Revenue by reportable segment					
Metals <sup>(1)</sup>	\$ 124.7	\$ 150.6	(17 %)	\$ 238.4	\$ 265.7
Power	10.6	11.8	(10 %)	22.0	23.8
Corporate and Other	0.3	0.8	(63 %)	0.9	1.4
Combined revenue	\$ 135.6	\$ 163.2	(17 %)	\$ 261.3	\$ 290.9
Adjustment for Moa Joint Venture	(93.5 )	(117.8 )		(183.1 )	(222.0 )
Adjustment for Oil and Gas	1.6	6.0	(73 %)	3.9	11.3
Financial statement revenue	\$ 43.7	\$ 51.4	(15 %)	\$ 82.1	\$ 80.2
				2 %	

Revenue of Metals for the three months ended June 30, 2025 is composed of revenue recognized by the Moa JV of \$93.5 million (50% basis), which is equity-accounted and included in share of earnings of Moa JV, net of tax, coupled with revenue recognized by Fort Site of \$30.2 million and Metals Marketing of \$1.0 million, both of which are included in consolidated revenue (for the three months ended June 30, 2024 - (1) \$117.8 million, \$31.9 million and \$0.9 million, respectively). Revenue of Metals for the six months ended June 30, 2025 is composed of revenue recognized by the Moa JV of \$183.1 million (50% basis), coupled with revenue recognized by Fort Site of \$48.7 million and Metals Marketing of \$6.6 million (for the six months ended June 30, 2024 - \$222.0 million, \$40.8 million and \$2.9 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 on non-current non-financial assets and investments; and gains or losses on disposal of property, plant and equipment of the Corporation and the Moa JV. The exclusion of impairment losses eliminates the non-cash impact of the losses.

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

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

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

\$ millions, for the three months ended June 30

	Corporate	Oil and	for	Metals <sup>(1)</sup>	Power	and	Gas	Jobs	Other	Ventures
(Loss) earnings from operations and joint venture per financial statements	\$ (7.4 )	\$ 4.3	\$ (0.3 )	\$ (10.3 )	\$					
Add (deduct):										
Depletion, depreciation and amortization	2.7	0.7	-						0.1	
Oil and Gas loss from operations, net of depletion, depreciation and amortization	-	-	0.3						-	
Adjustments for share of earnings of Moa Joint Venture:										
Depletion, depreciation and amortization	12.5	-	-						-	
Net finance expense	-	-	-						-	
Income tax expense	-	-	-						-	
Adjusted EBITDA	\$ 7.8	\$ 5.0	\$ -						\$ (10.2 )	\$
\$ millions, for the three months ended June 30										
	Corporate	Oil and	for	Metals <sup>(1)</sup>	Power	and	Gas	Jobs	Other	Ventures
Earnings (loss) from operations and joint venture per financial statements	\$ 2.7	\$ 1.2	\$ 1.7	\$	(6.9 )					
Add (deduct):										
Depletion, depreciation and amortization	2.9	0.6	0.1						0.1	
Oil and Gas earnings from operations, net of depletion, depreciation and amortization	-	-	(1.8 )						-	
Adjustments for share of earnings of Moa Joint Venture:										
Depletion, depreciation and amortization	11.9	-	-						-	
Impairment of property, plant and equipment	0.5	-	-						-	
Net finance expense	-	-	-						-	
Income tax expense	-	-	-						-	
Adjusted EBITDA	\$ 18.0	\$ 1.8	\$ -						\$ (6.8 )	\$
\$ millions, for the six months ended June 30										

	Metals <sup>(2)</sup>	Power	Gas	Other	Corporate	Oil and	for
(Loss) earnings from operations and joint venture per financial statements	\$ (16.0 )	\$ 7.0	\$ (19.0 )	\$ (15.1 )	\$ (16.0 )	\$ 7.0	\$ (19.0 )
Add:							
Depletion, depreciation and amortization	5.0	1.4	-	0.4			
Oil and Gas loss from operations, net of depletion, depreciation and amortization	-	-	19.0	-			
Adjustments for share of earnings of Moa Joint Venture:							
Depletion, depreciation and amortization	24.3	-	-	-			
Net finance expense	-	-	-	-			
Income tax expense	-	-	-	-			
Adjusted EBITDA	\$ 13.3	\$ 8.4	\$ -	\$ (14.7 )	\$ 13.3	\$ 8.4	\$ -

\$ millions, for the six months ended June 30

	Metals <sup>(2)</sup>	Power	Gas	Other	Corporate	Oil and	for
(Loss) earnings from operations and joint venture per financial statements	\$ (18.3 )	\$ 8.3	\$ (0.6 )	\$ (13.9 )	\$ (18.3 )	\$ 8.3	\$ (0.6 )
Add (deduct):							
Depletion, depreciation and amortization	5.3	1.1	0.1	0.5			
Oil and Gas loss from operations, net of depletion, depreciation and amortization	-	-	0.5	-			
Adjustments for share of earnings of Moa Joint Venture:							
Depletion, depreciation and amortization	23.0	-	-	-			
Impairment of property, plant and equipment	0.5	-	-	-			
Net finance income	-	-	-	-			
Income tax expense	-	-	-	-			
Adjusted EBITDA	\$ 10.5	\$ 9.4	\$ -	\$ (13.4 )	\$ 10.5	\$ 9.4	\$ -

Adjusted EBITDA of Metals for the three months ended June 30, 2025 is composed of Adjusted EBITDA at Moa JV of \$(0.3) million (50% basis), Adjusted EBITDA at Fort Site of \$9.3 million and Adjusted EBITDA at (1) Metals Marketing of \$(1.2) million (for the three months ended June 30, 2024 - \$11.8 million, \$7.2 million and \$(1.0) million, respectively).

Adjusted EBITDA of Metals for the six months ended June 30, 2025 is composed of Adjusted EBITDA at Moa JV of \$2.3 million (50% basis), Adjusted EBITDA at Fort Site of \$13.3 million and Adjusted EBITDA at (2) Metals Marketing of \$(2.3) million (for the six months ended June 30, 2024 - \$9.8 million, \$2.3 million and \$(1.6) million, respectively).

#### Average-realized price

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

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

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

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

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

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

	Metals				
	Nickel	Cobalt	Fertilizer	Power	Other(1)
Revenue per financial statements	\$ 68.6	\$ 15.2	\$ 30.0	\$ 10.6	\$ 12.8
Adjustments to revenue:					
Frequency control, by-product and other revenue	-	-	-	(1.4 )	
Revenue for purposes of average-realized price calculation	68.6	15.2	30.0	9.2	
Sales volume for the period	7.2	0.8	44.6	176	
Volume units	Millions of pounds	Millions of pounds	Thousands of tonnes	Gigawatt hours	
Average-realized price <sup>(2)(3)(4)</sup>					

\$



\$



\$

674.44





















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

	Metals				
	Nickel	Cobalt	Fertilizer	Power	Other(1)
Revenue per financial statements	\$ 94.0	\$ 12.3	\$ 34.8	\$ 11.8	\$ 16.3
Adjustments to revenue:					
By-product and other revenue	-	-	-	(1.1 )	
Revenue for purposes of average-realized price calculation	94.0	12.3	34.8	10.7	
Sales volume for the period	8.3	0.9	60.7	205	
	Millions of pounds	Millions of pounds	Thousands of tonnes	Thousands Gigawatt hours	
Volume units					
Average-realized price <sup>(2)(3)(4)</sup>	\$ 11.25	\$ 14.32	\$ 574.70	\$ 52.00	

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

	Metals				
	Nickel	Cobalt	Fertilizer	Power	Other(1)
Revenue per financial statements	\$ 144.3	\$ 28.6	\$ 45.9	\$ 22.0	\$ 24.4
Adjustments to revenue:					
Frequency control, by-product and other revenue	-	-	-	(3.5 )	
Revenue for purposes of average-realized price calculation	144.3	28.6	45.9	18.5	
Sales volume for the period	14.8	2.0	77.7	346	
	Millions of pounds	Millions of pounds	Thousands of tonnes	Thousands Gigawatt hours	
Volume units					
Average-realized price <sup>(2)(3)(4)</sup>	\$ 9.78	\$ 15.51	\$ 591.10	\$ 53.53	

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

	Metals				
	Nickel	Cobalt	Fertilizer	Power	Other(1)

	Nickel	Cobalt	Fertilizer	Power	Other(1)
Revenue per financial statements	\$ 181.8	\$ 23.9	\$ 44.7	\$ 23.8	\$ 28.0
Adjustments to revenue:					
By-product and other revenue	-	-	-	(2.4 )	
Revenue for purposes of average-realized price calculation	181.8	23.9	44.7	21.4	
Sales volume for the period	17.2	1.7	84.6	415	
	Millions of pounds	Millions of pounds	Thousands of tonnes	Thousands of tonnes	Gigawatt hours
Volume units					
Average-realized price <sup>(2)(3)(4)</sup>	\$ 10.55	\$ 14.41	\$ 528.73	\$ 51.62	

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

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

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

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

Unit operating cost/Net direct cash cost

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

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

Unit operating costs for nickel and electricity are key measures that management and investors uses to monitor performance. NDCC of nickel is a widely-used performance measure for nickel producers. Management uses unit operating costs/NDCC to assess how well the Corporation's producing mine and power facilities are performing and to assess overall production efficiency and effectiveness internally across periods and compared to its competitors.

Unit operating cost (NDCC) for nickel is expressed in U.S. dollars per pound sold, while electricity is expressed in Canadian dollars per megawatt hour sold.

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

\$ millions, except unit cost and sales volume, for the three months ended June 30

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

	Metals	Power	Other <sup>(1)</sup>	for Moa Jo	Adjustment
Venture					
Cost of sales per financial statements	\$ 144.5	\$ 9.3	\$ 4.6	\$ (116.6)	
Less:					
Depletion, depreciation and amortization in cost of sales	(14.8 )	(0.5 )			
	129.7	8.8			
Adjustments to cost of sales:					























Cobalt by-product revenue - Moa JV and Cobalt Swap	(12.3 )	-		
Fertilizer by-product revenue	(34.8 )	-		
Other revenue	(9.5 )	-		
Royalties/territorial contributions and other non-cash costs <sup>(2)</sup>	(7.1 )	-		
Changes in inventories and other non-cash adjustments <sup>(3)</sup>	(1.0 )	-		
Cost of sales for purposes of unit cost calculation	65.0	8.8		
Sales volume for the period	8.3	205		
	Millions of	Gigawatt		
Volume units				
	pounds	hours		
Unit operating cost <sup>(4)(5)</sup>	\$ 7.87	\$ 42.74		
Unit operating cost (US\$ per pound) (NDCC) <sup>(6)</sup>	\$ 5.75			
\$ millions, except unit cost and sales volume, for the six months ended June 30				
		Adjustment		
	Metals	Power	Other <sup>(1)</sup>	for Moa Joint
				Venture
Cost of sales per financial statements	\$ 249.2	\$ 11.9	\$ 23.9	\$ (201.9 )
Less:				
Depletion, depreciation and amortization in cost of sales	(29.3 )	(1.2 )		
	219.9	10.7		
Adjustments to cost of sales:				
Cobalt by-product revenue - Moa JV and Cobalt Swap	(28.6 )	-		
Fertilizer by-product revenue	(45.9 )	-		
Other revenue	(19.6 )	-		
Cobalt loss	0.3	-		
Realized gain on natural gas swaps	(0.4 )	-		
Royalties/territorial contributions and other non-cash costs <sup>(2)</sup>	(9.2 )	-		
Changes in inventories and other non-cash adjustments <sup>(3)</sup>	1.2	-		
Cost of sales for purposes of unit cost calculation	117.7	10.7		
Sales volume for the period	14.8	346		

	Millions of		Gigawatt
Volume units	pounds	hours	
Unit operating cost <sup>(4)(5)</sup>	\$ 7.97	\$ 31.03	
Unit operating cost (US\$ per pound) (NDCC) <sup>(6)</sup>	\$ 5.64		
\$ millions, except unit cost and sales volume, for the six months ended June 30			
			Adjustment
	Metals	Power	Other <sup>(1)</sup> for Moa Joint Venture
Cost of sales per financial statements	\$ 275.6	\$ 13.3	\$ 12.9
Less:			\$ (232.5 )
Depletion, depreciation and amortization in cost of sales	(28.3 )	(0.9 )	
	247.3	12.4	
Adjustments to cost of sales:			
Cobalt by-product revenue - Moa JV and Cobalt Swap	(23.9 )	-	
Fertilizer by-product revenue	(44.7 )	-	
Other revenue	(15.3 )	-	
Royalties/territorial contributions and other non-cash costs <sup>(2)</sup>	(13.9 )	-	
Changes in inventories and other non-cash adjustments <sup>(3)</sup>	2.4	-	
Cost of sales for purposes of unit cost calculation	151.9	12.4	
Sales volume for the period	17.2	415	
	Millions of		Gigawatt
Volume units	pounds	hours	
Unit operating cost <sup>(4)(5)</sup>	\$ 8.82	\$ 29.81	
Unit operating cost (US\$ per pound) (NDCC) <sup>(6)</sup>	\$ 6.50		

(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.

Royalties/territorial contributions and other non-cash costs are included in cost of sales but are excluded from NDCC and consists of royalties, territorial contributions, inventory write-downs and other non-cash costs.

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

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

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

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

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

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

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

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

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

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

			2025
For the three months ended June 30			\$ millions \$/share
Net earnings (loss) from continuing operations		\$ 10.4	\$ 0.02
Adjusting items:			
Sherritt - Unrealized foreign exchange gain - continuing operations		(1.0 )	-
Corporate and Other - Gain on Debt and Equity transactions, net of transaction costs		(32.4 )	(0.07)
Reclassification of transaction costs on Debt and Equity Transactions to Gain on Debt and Equity Transactions		(4.9 )	(0.01)
Corporate and Other - Gain on repurchase of PIK Notes		-	-
Corporate and Other - Unrealized gain on nickel put options		-	-
Metals - Moa JV - Impairment of property, plant and equipment		-	-
Metals - Moa JV - Inventory write-down/obsolescence		-	-



























Metals - Fort Site - Unrealized loss on natural gas swaps	5.3	0.01
Metals - Fort Site - Realized gain on natural gas swaps	(0.3 )	-
Power - (Gain) loss on revaluation of GNC receivable	(5.6 )	(0.01)
Power - Loss (gain) on revaluation of Energas payable	2.1	-
Oil and Gas - Net loss (gain) from continuing operations, net of unrealized foreign exchange gain/loss	0.7	-
Total adjustments, before tax	\$ (35.8 )	\$ (0.08)
Tax adjustments	(0.2 )	-
Adjusted net loss from continuing operations	\$ (25.6 )	\$ (0.06)
		2025
For the six months ended June 30	\$ millions	\$/share \$ mil
Net loss from continuing operations	\$ (30.2 )	\$ (0.07) \$ (52.0)
Adjusting items:		
Sherritt - Unrealized foreign exchange gain - continuing operations	(0.9 )	-
Sherritt's share - Severance related to restructuring and workforce reduction	-	-
Corporate and Other - Gain on Debt and Equity transactions, net of transaction costs	(32.4 )	(0.07) -
Corporate and Other - Unrealized gain on nickel put options	-	-
Corporate and Other - Gain on repurchase of PIK Notes	-	-
Metals - Moa JV - Impairment of property, plant and equipment	-	-
Metals - Moa JV - Inventory write-down/obsolescence	0.5	-
Metals - Moa JV - Cobalt loss	0.3	-
Metals - Fort Site - Inventory write-down	-	-
Metals - Fort Site - Unrealized loss on natural gas swaps	1.8	-
Metals - Fort Site - Realized gain on natural gas swaps	(0.4 )	-
Power - (Gain) loss on revaluation of GNC receivable	(8.2 )	(0.02) 18.0
Power - Loss (gain) on revaluation of Energas payable	2.8	0.01 (4.0)
Oil and Gas - Net loss from continuing operations, net of unrealized foreign exchange gain/loss	19.4	0.04 0.4
Total adjustments, before tax	\$ (17.1 )	\$ (0.04) \$ 18.0
Tax adjustments	(0.5 )	-
Adjusted net loss from continuing operations	\$ (47.8 )	\$ (0.11) \$ (34.0)
Spending on capital		

The Corporation defines spending on capital for each segment as property, plant and equipment and intangible asset expenditures on a cash basis adjusted to the accrual basis in order to account for assets

that are available for use by the Corporation and the Moa Joint Venture prior to payment and includes adjustments to accruals. The Metals segment's spending on capital includes the Fort Site's expenditures, plus the Corporation's 50% share of the Moa Joint Venture's expenditures, which is accounted for using the equity method for accounting purposes.

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

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

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

\$ millions, for the three months ended June 30				2025
	Metals	Power	Other <sup>(1)</sup>	Total
Property, plant and equipment expenditures <sup>(2)</sup>	\$ 13.6	\$ 0.8	\$ -	\$ 14.4
Intangible asset expenditures <sup>(2)</sup>	-	-	-	-
	13.6	0.8	-	14.4
				\$ (10.0 ) \$ 4.4
Adjustments:				
Accrual adjustment	1.3	-	-	1.3
Spending on capital	\$ 14.9	\$ 0.8	\$ -	\$ 15.7
\$ millions, for the three months ended June 30				2024
	Metals	Power	Other <sup>(1)</sup>	Total
Property, plant and equipment expenditures <sup>(2)</sup>	\$ 7.7	\$ 1.5	\$ -	\$ 9.2
Intangible asset expenditures <sup>(2)</sup>	-	-	-	-
	7.7	1.5	-	9.2
				\$ (7.6 ) \$ 1.6
Adjustments:				



























Accrual adjustment	0.1	-	-	0.1		
Spending on capital	\$ 7.8	\$ 1.5	\$ -	\$ 9.3		
\$ millions, for the six months ended June 30						2025
						Total
	Metals	Power	Other <sup>(1)</sup>	Combined total	Adjustment for Moa	derived from financial statements
Property, plant and equipment expenditures <sup>(2)</sup>	\$ 24.1	\$ 0.9	\$ 0.1	\$ 25.1	\$ (17.6)	) \$ 7.5
Intangible asset expenditures <sup>(2)</sup>	-	-	-	-	-	-
	24.1	0.9	0.1	25.1	\$ (17.6)	) \$ 7.5
Adjustments:						
Accrual adjustment	6.1	-	-	6.1		
Spending on capital	\$ 30.2	\$ 0.9	\$ 0.1	\$ 31.2		
\$ millions, for the six months ended June 30						2024
						Total
	Metals	Power	Other <sup>(1)</sup>	Combined total	Adjustment for Moa	derived from financial statements
Property, plant and equipment expenditures <sup>(2)</sup>	\$ 17.2	\$ 4.1	\$ -	\$ 21.3	\$ (16.0)	) \$ 5.3
Intangible asset expenditures <sup>(2)</sup>	-	-	0.2	0.2	-	0.2
	17.2	4.1	0.2	21.5	\$ (16.0)	) \$ 5.5
Adjustments:						
Accrual adjustment	-	-	(0.1 )	(0.1 )		
Spending on capital	\$ 17.2	\$ 4.1	\$ 0.1	\$ 21.4		

(1) Includes property, plant and equipment and intangible asset expenditures of the Oil and Gas reportable segment, which is non-core, and the Corporate and Other reportable segment.

(2) Total property, plant and equipment expenditures and total intangible asset expenditures as presented in the Corporation's condensed consolidated statements of cash flow.

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

The Corporation defines cash provided/used by continuing operations for operating activities by segment as

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

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

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

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

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

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

\$ millions, for the three months ended June 30

	Oil	Corporate	Combined
Metals <sup>(1)(2)</sup>	Power	and	
Gas	Other		total

Cash provided (used) by continuing operations for operating activities \$ 20.0 \$ 16.0 \$(1.1) \$ (17.7) \$ 17.2

Less:

Property, plant and equipment expenditures	(13.6 )	(0.8 )	-	(14.4 )
Free cash flow	\$ 6.4	\$ 15.2	\$(1.1)	\$ (17.7) \$ 2.8

\$ millions, for the three months ended June 30

























	Corporate	Oil and	Combined
	Metals <sup>(1)(2)</sup>	Power	and
		Gas	total
			Other
Cash provided (used) by continuing operations for operating activities	\$ 21.2	\$ (7.8)	\$ (14.8) \$ (16.4 ) \$ (17.8 )
Less:			
Property, plant and equipment expenditures	(7.7 )	(1.5 )	- - (9.2 )
Free cash flow	\$ 13.5	\$ (9.3)	\$ (14.8) \$ (16.4 ) \$ (27.0 )
\$ millions, for the six months ended June 30			

	Corporate	Oil and	Combined
	Metals <sup>(3)(4)</sup>	Power	and
		Gas	total
			Other
Cash provided (used) by continuing operations for operating activities	\$ 41.9	\$ 16.9	\$ (11.4) \$ (26.1 ) \$ 21.3
Less:			
Property, plant and equipment expenditures	(24.1 )	(0.9 )	(0.1 ) - (25.1 )
Free cash flow	\$ 17.8	\$ 16.0	\$ (11.5) \$ (26.1 ) \$ (3.8 )
\$ millions, for the six months ended June 30			

	Corporate	Oil and	Combined
	Metals <sup>(3)(4)</sup>	Power	and
		Gas	total
			Other
Cash provided (used) by continuing operations for operating activities	\$ 52.4	\$ 1.9	\$ (18.8) \$ (25.2 ) \$ 10.3
Less:			

Property, plant and equipment expenditures	(17.2 )	(4.1 )	-	-	(21.3 )
Intangible expenditures	-	-	(0.2 )	-	(0.2 )
Free cash flow	\$ 35.2	\$ (2.2 )	\$ (19.0 )	\$ (25.2 )	\$ (11.2 )

Cash provided by continuing operations for operating activities for the Moa JV, Fort Site and Metals  
 (1) Marketing was \$11.6 million, \$10.0 million and \$(1.6) million, respectively, for the three months ended June 30, 2025 (June 30, 2024 - \$20.0 million, \$0.7 million and \$0.5 million, respectively).

Property, plant and equipment expenditures and intangible expenditures for the Moa JV, Fort Site and  
 (2) Metals Marketing was \$10.0 million, \$3.6 million and nil, respectively, for the three months ended June 30, 2025 (June 30, 2024 - \$7.5 million, \$0.2 million and nil, respectively).

Cash provided by continuing operations for operating activities for the Moa JV, Fort Site and Metals  
 (3) Marketing was \$14.7 million, \$17.6 million and \$9.6 million, respectively, for the six months ended June 30, 2025 (June 30, 2024 - \$35.1 million, \$12.0 million and \$5.3 million, respectively).

Property, plant and equipment expenditures and intangible expenditures for the Moa JV, Fort Site and  
 (4) Metals Marketing was \$17.6 million, \$6.5 million and nil, respectively, for the six months ended June 30, 2025 (June 30, 2024 - \$16.0 million, \$1.2 million and nil, respectively).

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## Contact

For further investor information contact:

Tom Halton  
 Director, Investor Relations and Corporate Affairs  
 Telephone: (416) 935-2451  
 Toll-free: 1 (800) 704-6698  
 E-mail: [investor@sherritt.com](mailto:investor@sherritt.com)

Sherritt International Corporation  
 Bay Adelaide Centre, East Tower  
 22 Adelaide St. West, Suite 4220  
 Toronto, ON M5H 4E3  
[www.sherritt.com](http://www.sherritt.com)

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