Sherritt Reports Third Quarter 2025 Results; Moa JV Expansion Complete; Phase Two Ramp Up Advancing

05.11.2025 | Business Wire

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

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 nine months ended September 30, 2025. All amounts are in Canadian dollars unless otherwise noted.

Leon Binedell, Executive Chairman, President and CEO of Sherritt commented, "Sherritt hit an important milestone this quarter with the completion of our Moa expansion project with the sixth leach train commencing its ramp up. The foundation of maximizing the use of existing assets as a platform to build our future success is now complete, with significant dividends flowing to Canada from our Power division and the Metals business now expanded on the back of the extended mine life and the new life-of-mine tailings management facility which is well underway providing certainty on the continuity of operations.

"Our focus on increasing margins during the multi-year low pricing environment will benefit from the further cost reduction initiatives implemented in the quarter inclusive of the reduction in personnel. We anticipate approximately $20 million in annual savings from these measures on top of the $17 million implemented last year. These measures will allow Sherritt to materially benefit from nickel and cobalt price recoveries which we are starting to see in cobalt with the DRC's new quota system implemented in October. We are pleased to see governments recognizing the value of key refining assets and critical mineral value chains outside of Chinese control and anticipate that Sherritt will benefit in the long term from geopolitical interventions.

"In the near-term, we continue to implement the recovery plan at Moa, which included the mobilization of additional expatriate personnel during the quarter. Overcoming the challenges in the Cuban operating environment remains complex and will take some time to fully resolve in pursuing the necessary steps to restore operations at Moa in line with the planned expansion volumes to fill the refinery," concluded Mr. Binedell.

THIRD QUARTER 2025 SELECTED DEVELOPMENTS

- Significant organizational cost reductions were implemented during the quarter which included a further workforce reduction with a focus on non-operating roles across Canadian operations. The cost reduction initiatives are anticipated to deliver approximately $20.0 million in annual savings (100% basis) and are in addition to the $17.0 million in annual savings (100% basis) achieved through the 2024 initiatives.

- Finished nickel and cobalt production at the Moa Joint Venture ("Moa JV") was 2,426 tonnes and 228 tonnes, respectively, (Sherritt's share[(1)]) reflecting the planned annual plant shutdown occurring at the refinery during the quarter.
- Finished nickel and cobalt sales were 2,740 tonnes and 262 tonnes, respectively.
- Net direct cash cost ("NDCC")[(2)] was US$6.67/lb with lower nickel production and sales and higher input commodity prices contributing to higher costs partially offset by ongoing cost optimization initiatives.

- Electricity production was 243 GWh benefitting from a new gas well that was brought online in Q4 2024, additional gas provided from existing wells and a replacement gas well that was brought online in Q3 2025 to offset the loss of gas production from the legacy CUPET well. Electricity production in Q3 2025 also reflects the Varadero facility returning to normal operations during July and August without frequency control.

- Electricity unit operating cost(2) was $12.23/MWh primarily reflecting lower planned maintenance and higher electricity production and sales.
- Net loss from continuing operations was $19.5 million, or $(0.04) per share.
- Adjusted net loss from continuing operations(2) was $15.5 million or $(0.03) per share which primarily excludes $3.6 million of severance expense (Sherritt's share) related to the workforce reduction in the quarter and the impact of other revaluation gains and losses.
- Adjusted EBITDA(2) was $1.6 million.
- Updates to 2025 Guidance:
  - At Metals, during the quarter, significant challenges in the general operating environment in Cuba continued to result in lower than expected production of mixed sulphides, impacting feed availability at the refinery. As well, Sherritt did not acquire additional third-party feed given the high payabilities in the intermediate market. In late October, subsequent to the quarter end, Hurricane Melissa brought heavy rainfall and power outages to the Moa region resulting in the processing facilities at Moa operating at a reduced rate. All environmental protection and safety activities at sites in Cuba continued uninterrupted, and there were no environmental incidents or injuries reported among personnel or significant damage to mining infrastructure. The processing facilities at Moa are currently operating at a reduced capacity and expected to ramp up to full capacity in the next week. The impact on finished metals production is expected to be partially mitigated by mixed sulphides inventory built up at the refinery during the planned annual plant shutdown. Although Sherritt continues to anticipate production of mixed sulphides will benefit from the ramp up of the sixth leach train at Moa and the implementation of the recovery plan for Moa operations, the mixed sulphides inventory available at the refinery during the fourth quarter will be lower than originally anticipated. As a result, Sherritt is revising its full year 2025 production guidance range for finished nickel from 27,000 to 29,000 tonnes to 25,000 to 26,000 tonnes and finished cobalt from 3,000 to 3,200 tonnes to 2,700 to 2,800 tonnes.
  - NDCC(2) guidance of US$5.75/lb to US$6.25/lb, remains unchanged, benefiting from the ongoing cost optimization initiatives and higher cobalt by-product credits, offsetting the lower nickel production and sales and higher sulphur prices.
  - At Power, guidance for production volumes, unit operating costs(2) and spending on capital(2) remain unchanged.
  - Total spending on capital(2) for 2025 is now expected to be $69.0 million slightly below the previously provided guidance of $72.0 million with spending related to the tailings facility slightly lower and growth spending slightly higher.
- Available liquidity in Canada as at September 30, 2025 was $45.2 million.
- Power dividends in Canada were $8.3 million in Q3 2025, totaling $18.2 million for the nine months ended September 30, 2025.
- Phase two of the Moa JV expansion in ramp up. During the quarter, the sixth leach train was tested and successfully demonstrated the operability of the train and following the quarter end in October, commissioning was completed.

(1) References to operational and financial metrics in this 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 the Corporation's cobalt inventory received under the Cobalt Swap agreement ("Metals Marketing"). Sherritt's share of Power includes the Corporation's 33?% 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.

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

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

DEVELOPMENTS SUBSEQUENT TO THE QUARTER

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

Q3 2025 FINANCIAL HIGHLIGHTS

$ millions, except per share amount	For the three months ended 2025 September 30	2024 September 30	Change	For 2025 Sep
Revenue	$ 39.7	$ 32.9	21 %	$ 121.
Combined revenue[1]	108.4	126.4	(14 %)	369.
Loss from operations and joint venture	(12.6)	(2.3)	(448 %)	(63.
Net (loss) earnings from continuing operations	(19.5)	1.8	nm[2]	(49.
Net (loss) earnings for the period	(19.5)	2.1	nm[2]	(49.
Adjusted EBITDA[1]	1.6	10.5	(85 %)	8.6
Adjusted loss from continuing operations[1]	(15.5)	(11.5)	(35 %)	(63.
Net (loss) earnings from continuing operations ($ per share)	(0.04)	0.00	-	(0.1
Adjusted loss from continuing operations ($ per share)[1]	(0.03)	(0.03)	-	(0.1
Cash provided (used) by continuing operations for operating activities	2.5	20.4	(88 %)	9.1
Combined free cash flow[1]	(24.0)	10.2	(335 %)	(27.
Average exchange rate (CAD/US$)	1.377	1.366	1 %	1.39

$ millions, as at	2025 September
Cash and cash equivalents	
Canada	$ 14.9
Cuba[3]	103.8
Other	1.5
	120.2
Loans and borrowings	316.2
The Corporation's share of cash and cash equivalents in the Moa Joint Venture, not included in the above balances:	$ 5.0

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

(2) Not meaningful ("nm").

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

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

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

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

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

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

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

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

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

REVIEW OF OPERATIONS

Metals

$ millions (Sherritt's share), except as otherwise noted	For the three months ended 2025 September 30	2024 September 30	Change	For the nine mo[nths ended] 2025 September 30
FINANCIAL HIGHLIGHTS[1]				
Revenue	$ 94.1	$ 112.6	(16 %)	$ 332.5
Cost of sales	106.8	110.1	(3 %)	356.0
(Loss) earnings from operations	(14.4)	0.8	nm[3]	(30.4)
Adjusted EBITDA[2]	(1.5)	14.9	(110 %)	11.8
CASH FLOW[1]				

Cash provided by continuing operations for operating activities[2]	$ (9.2)	$ 34.8	(126 %)	$ 32.7
Free cash flow[2]	(17.9)	24.2	(174 %)	(0.1)
PRODUCTION VOLUMES (tonnes)				
Mixed sulphides ("MSP")[4]	3,720	4,148	(10 %)	10,115
Finished nickel	2,426	4,333	(44 %)	8,804
Finished cobalt	228	454	(50 %)	940
Fertilizer	49,253	65,205	(24 %)	170,280
NICKEL RECOVERY[5] (%)	82 %	85 %	(4 %)	83 %
SALES VOLUMES (tonnes)				
Finished nickel	2,740	3,538	(23 %)	9,435
Finished cobalt	262	421	(38 %)	1,098
Fertilizer	27,948	31,245	(11 %)	105,682
AVERAGE-REFERENCE PRICE[6] (US$ per pound)				
Nickel	$ 6.81	$ 7.37	(8 %)	$ 6.92
Cobalt	17.17	12.25	40 %	15.86
AVERAGE-REALIZED PRICE[2] (CAD)				
Nickel ($ per pound)	$ 9.42	$ 10.11	(7 %)	$ 9.67
Cobalt ($ per pound)	18.52	12.42	49 %	16.23
Fertilizer ($ per tonne)	517.25	434.58	19 %	571.57
UNIT OPERATING COST[2] (US$)				
Nickel - net direct cash cost (US$ per pound)	$ 6.67	$ 5.16	29 %	$ 5.95
SPENDING ON CAPITAL[2](CAD)				
Sustaining				
Moa JV (50% basis), Fort Site (100% basis)	$ 4.9	$ 2.8	75 %	$ 21.3
Moa JV - Tailings facility (50% basis)	7.2	4.7	53 %	17.0
Growth - Moa JV (50% basis)	2.3	3.7	(38 %)	6.3
	$ 14.4	$ 11.2	29 %	$ 44.6

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

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

(3) Not meaningful ("nm").

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

(5) 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.

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

Revenue

Metals revenue in Q3 2025 was $94.1 million compared to $112.6 million in Q3 2024.

Nickel revenue in Q3 2025 was $56.9 million compared to $78.8 million in Q3 2024. Revenue was lower primarily due to lower nickel sales volume and average-realized price(1). Sales volume of 2,740 tonnes compared to 3,538 tonnes in Q3 2024 primarily as a result of lower finished production outlined below. The average-realized price(1) of nickel of $9.42/lb was 7% lower compared to Q3 2024.

Cobalt revenue in Q3 2025 was $10.7 million compared to $11.5 million in Q3 2024 due to lower sales volume partially offset by higher average-realized price(1). Sales volume was 262 tonnes compared to 421 tonnes in Q3 2024. The average-realized price(1) of cobalt of $18.52/lb was 49% higher compared to Q3 2024.

Fertilizer revenue in Q3 2025 was $14.5 million compared to $13.6 million in Q3 2024. Fertilizer revenue was higher due to the higher average-realized price(1), partially offset by lower sales volume. The average-realized price(1) of fertilizers of $517.25/tonne was 19% higher compared to Q3 2024. Sales volume of 27,948 tonnes compared to 31,245 tonnes in Q3 2024. Lower sales volume reflects the lower fertilizer production in Q3 2025 consistent with lower metals production.

Cobalt Swap

There were no sales of cobalt from the Cobalt Swap in either Q3 2025 or Q3 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(1), cobalt by-product credits(2), or NDCC(1). This is because the variance in revenue and costs of Sherritt's share of cobalt under the Cobalt Swap is offset by Sherritt's share of revenue and costs of the Moa JV and the cost of cobalt sold on volumes of cobalt redirected from GNC is determined based on the in-kind value of cobalt calculated as the cobalt reference price from the month preceding distribution less a mutually agreed selling cost adjustment.

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

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

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

Production

Mixed sulphides production at the Moa JV in Q3 2025 was 3,720 tonnes compared to 4,148 tonnes in Q3 2024. Lower production in Q3 2025 was mainly the result of the ongoing challenging economic conditions and operating environment in Cuba including a nationwide power outage in September 2025 and unplanned maintenance of the processing facilities in Moa.

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

Sherritt's share of finished nickel and cobalt production in Q3 2025 was 2,426 tonnes and 228 tonnes, compared to 4,333 tonnes and 454 tonnes, respectively, in Q3 2024. In Q3 2025 production was lower due to the planned annual refinery maintenance shutdown. The annual shutdown occurred during the second quarter in 2024. Lower mixed sulphides feed availability from the mine site, a disruption in hydrogen supply from a third party and unplanned maintenance to processing equipment at the refinery also resulted in lower finished production. During the quarter, Sherritt processed previously contracted available third-party feed but did not acquire additional third-party feeds given the high payabilities in the intermediate market.

Fertilizer production in Q3 2025 was 49,253 tonnes compared to 65,205 tonnes in Q3 2024 primarily due to lower metals production.

NDCC(1)

NDCC(1) per pound of nickel sold in Q3 2025 was US$6.67/lb compared to US$5.16/lb in Q3 2024. In 2025, lower nickel sales volume compared to 2024 impacted NDCC(1).

MPR/lb was slightly higher driven by higher input commodity prices. In Q3 2025, sulphur prices were 75% higher while fuel oil natural gas, and diesel prices were 17%, 16% and 7% lower, respectively. MRP/lb in Q3 2025 also includes the impact of annual maintenance shutdown which was completed during the quarter compared to 2024 when the annual maintenance shutdown occurred during the second quarter. Partially offsetting these impacts were benefits from ongoing cost optimization initiatives. Third-party feed costs were higher as a result of processing more previously contracted third-party feed compared to Q3 2024. Cobalt by-product credits were higher primarily as a result of 49% higher average-realized cobalt price(1) and the impact of lower nickel sales volume which offset lower cobalt sales volumes. Fertilizer net by-product credits were lower in Q3 2025 driven by the impact of lower fertilizer sales volume and higher planned maintenance costs, partly offset by higher fertilizer prices.

Spending on capital(1)

Sustaining spending on capital in Q3 2025 was $4.9 million compared to $2.8 million in Q3 2024 primarily related to receipt of additional mining equipment.

Sustaining spending on capital related to the tailings facility in Q3 2025 was $7.2 million compared to $4.7 million in Q3 2024 and in line with the planned ramp up in project activity.

Growth spending on capital in Q3 2025 was $2.3 million compared to $3.7 million in Q3 2024.

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

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

Power

$ millions (33 ?% basis), except as otherwise noted	For the three months ended							For the
	2025 September 30		2024 September 30			Change		2025 Septem
FINANCIAL HIGHLIGHTS								
Revenue	$	13.9	$	12.9		8	%	$ 35.9
Cost of sales		3.4		10.9		(69	%)	15.3
Earnings from operations		8.6		0.4		nm[3]		15.6
Adjusted EBITDA[1]		9.1		1.1		727	%	17.5
CASH FLOW								
Cash provided (used) by continuing operations for operating activities[1]	$	4.2	$	(8.6	)	149	%	$ 21.1
Free cash flow[1]		4.0		(8.9	)	145	%	20.0
PRODUCTION AND SALES								
Electricity (GWh[2])		243		230		6	%	589
AVERAGE-REALIZED PRICE[1]								
Electricity ($/MWh[2])	$	52.33	$	51.85		1	%	$ 53.0
UNIT OPERATING COSTS[1]								
Electricity ($/MWh)	$	12.23	$	44.95		(73	%)	$ 23.2
SPENDING ON CAPITAL[1]								

Sustaining	$ 0.2	$ (1.5)	113 %	$ 1.1

(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").

(3) Not meaningful ("nm").

Frequency control at Varadero

As a result of the nationwide power outages in Cuba and challenges facing the national power grid beginning in 2024, the government agency Unión Eléctrica ("UNE") required Energas to operate the Varadero facility in frequency control to help support the stability of the power grid. The Varadero facility returned to normal operations in July and August to support summer power grid needs but reverted to operating in frequency control in September. Energas expects that the Varadero facility will continue to operate in frequency control throughout the balance of 2025 and that it will be fully compensated for this reduction. As a result, Sherritt expects there will be no impact to Power's Adjusted EBITDA(1), earnings from operations or dividends from Energas to Sherritt in Canada. Energas' other facilities are expected to continue operating as usual.

Revenue

Revenue in Q3 2025 was $13.9 million compared to $12.9 million in Q3 2024. Revenue for Q3 2025 was higher compared to Q3 2024 primarily due to increased electricity production as discussed below.

Production

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

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

Unit operating cost(1)

Unit operating cost(1) in Q3 2025 was $12.23/MWh compared to $44.95/MWh in Q3 2024 primarily as a result of lower maintenance. In Q3 2025, there were no major turbine inspections while higher planned maintenance work in Q2 2024 and Q3 2024 included major inspections on three gas turbines and included bringing online another turbine to process gas being received from the new well that was brought into production in Q4 2024.

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

Spending on capital(1)

Spending on capital(1) was $0.2 million in Q3 2025.

Dividends from Energas

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

(1) Non-GAAP 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

Production volumes, unit operating costs and spending on capital	Guidance for 2025 - Total	Year-to-date actuals - Total	Updated 2025 guidance - Total
Production volumes			
Metals - Moa JV (100% basis, tonnes)			
Finished nickel	27,000 - 29,000(1)	17,608	25,000 - 26,000
Finished cobalt	3,000 - 3,200(1)	1,880	2,700 - 2,800
Power - Electricity (33?% basis, GWh)	800 - 850	589	No change
Unit operating costs(2)			
Metals - NDCC(2) (US$ per pound)	$5.75 - $6.25	$5.95	No change
Electricity - unit operating cost(2) ($ per MWh)	$23.00 - $24.50	$23.27	No change
Spending on capital(2)(3)($ millions)			
Sustaining			
Metals - Moa JV (50% basis), Fort Site (100% basis)	$30.0(1)	$21.3	No change
Metals - Moa JV - Tailings facility (50% basis)	$35.0(1)	$17.0	$30.0
Power (33?% basis)	$2.0	$1.1	No change
Growth			
Metals - Moa JV (50% basis)	$5.0	$6.3	$7.0
Spending on capital(2)	$72.0(1)	$45.7	$69.0

(1) 2025 guidance updated July 29, 2025.

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

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

Metals Updates:

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

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

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

Power Updates:

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

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

CONFERENCE CALL AND WEBCAST

Sherritt will hold its conference call and webcast November 6, 2025, at 10:00 a.m. Eastern Time to review its third quarter 2025 results. Dial-in and webcast details are as follows:

North American callers, please dial:	1 (800) 717-1738 Passcode: 66873
International callers, please dial:	1 (289) 514-5100 Passcode: 66873
Live webcast:	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 nine months ended September 30, 2025 are available at www.sherritt.com or on SEDAR+ at www.sedarplus.ca and should be read in conjunction with this news release. Financial and operating data can also be viewed in the investor relations section of Sherritt's website.

NON-GAAP AND OTHER FINANCIAL MEASURES

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

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

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

ABOUT SHERRITT

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

The Corporation's Power division, through its ownership in Energas, is the largest independent energy producer in Cuba with installed electrical generating capacity of 506 MW, representing approximately 10% of the national electrical generating capacity in Cuba. The Energas facilities are comprised of two combined cycle plants that produce low-cost electricity from one of the lowest carbon emitting sources of power in Cuba. Sherritt's common shares are listed on the Toronto Stock Exchange under the symbol "S".

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; 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 nine months ended September 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.

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 nine months ended September 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:

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

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

Adjusted EBITDA

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

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

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

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

$ millions, for the three months ended September 30

	Metals[1]	Power	Oil and Gas	Corporat and Other
(Loss) earnings from operations and joint venture per financial statements	$ (14.4)	$ 8.6	$ 0.5	$ (6.2
Add (deduct):				
Depletion, depreciation and amortization	2.4	0.5	0.1	0.2
Oil and Gas earnings from operations, net of depletion, depreciation and amortization	-	-	(0.6)	-
Adjustments for share of earnings of Moa Joint Venture:				
Depletion, depreciation and amortization	10.5	-	-	-
Net finance expense	-	-	-	-
Income tax expense	-	-	-	-
Adjusted EBITDA	$ (1.5)	$ 9.1	$ -	$ (6.0

$ millions, for the three months ended September 30

	Metals[1]	Power	Oil and Gas	Corpora and Other
Earnings (loss) from operations and joint venture per financial statements	$ 0.8	$ 0.4	$ 1.1	$ (5.7
Add (deduct):				
Depletion, depreciation and amortization	2.4	0.7	-	0.2
Oil and Gas earnings from operations, net of depletion, depreciation and amortization	-	-	(1.1)	-
Adjustments for share of earnings of Moa Joint Venture:				
Depletion, depreciation and amortization	11.7	-	-	-
Net finance expense	-	-	-	-

Income tax expense	-	-	-	-
Adjusted EBITDA	$ 14.9	$ 1.1	$ -	$ (5.5

$ millions, for the nine months ended September 30

	Metals[2]	Power	Oil and Gas	Corporate and Other	A fo J V
(Loss) earnings from operations and joint venture per financial statements	$ (30.4)	$ 15.6	$ (18.5)	$ (21.3)	$
Add (deduct):					
Depletion, depreciation and amortization	7.4	1.9	0.1	0.6	
Oil and Gas loss from operations, net of depletion, depreciation and amortization	-	-	18.4	-	
Adjustments for share of earnings of Moa Joint Venture:					
Depletion, depreciation and amortization	34.8	-	-	-	
Net finance expense	-	-	-	-	
Income tax expense	-	-	-	-	
Adjusted EBITDA	$ 11.8	$ 17.5	$ -	$ (20.7)	$

$ millions, for the nine months ended September 30

	Metals[2]	Power	Oil and Gas	Corporate and Other	Ad fo Jo Ve
(Loss) earnings from operations and joint venture per financial statements	$ (17.5)	$ 8.7	$ 0.5	$ (19.6)	$
Add (deduct):					
Depletion, depreciation and amortization	7.7	1.8	0.1	0.7	
Oil and Gas loss from operations, net of depletion, depreciation and amortization	-	-	(0.6)	-	
Adjustments for share of earnings of Moa Joint Venture:					
Depletion, depreciation and amortization	34.7	-	-	-	
Impairment of property, plant and equipment	0.5	-	-	-	
Net finance income	-	-	-	-	

Income tax expense	-	-	-	-	
Adjusted EBITDA	$ 25.4	$ 10.5	$ -	$ (18.9)	$

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

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

Average-realized price

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

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

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

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

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

	Metals				
	Nickel	Cobalt	Fertilizer	Power	Other[1]
Revenue per financial statements	$ 56.9	$ 10.7	$ 14.5	$ 13.9	$ 17.6
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 three months ended September 30

	Metals				
	Nickel	Cobalt	Fertilizer	Power	Other[(1)]
Revenue per financial statements	$ 78.8	$ 11.5	$ 13.6	$ 12.9	$ 13.0
Adjustments to revenue:					
By-product and other revenue	-	-	-	(1.0)	
Revenue for purposes of average-realized price calculation	78.8	11.5	13.6	11.9	
Sales volume for the period	7.8	0.9	31.2	230	
Volume units	Millions of pounds	Millions of pounds	Thousands of tonnes	Gigawatt hours	
Average-realized price[(2)(3)(4)]	$ 10.11	$ 12.42	$ 434.58	$ 51.85	

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

	Metals				
	Nickel	Cobalt	Fertilizer	Power	Other[(1)]
Revenue per financial statements	$ 201.2	$ 39.3	$ 60.4	$ 35.9	$ 42.0
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

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

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

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

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

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

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

Unit operating cost/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 cost performance. NDCC of nickel is a widely-used performance measure for nickel producers which represents the direct cash cost associated with the mining, processing, refining and sale of finished nickel, net of by-product credits. Management uses unit operating costs/NDCC to assess how well the Corporation's producing mine and power facilities are performing and to assess overall production efficiency and effectiveness internally across periods and compared to its competitors.

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

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

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

$ millions, except unit cost and sales volume, for the three months ended September 30					2024
	Metals	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Cost of sales per financial statements	$ 110.1	$ 10.9	$ 2.8	$ (98.4)	$ 25.4
Less:					

Depletion, depreciation and amortization in cost of sales	(14.1)	(0.6)
	96.0	10.3
Adjustments to cost of sales:		
Cobalt by-product revenue - Moa JV and Cobalt Swap	(11.5)	-
Fertilizer by-product revenue	(13.6)	-
Other revenue	(8.7)	-
Royalties/territorial contributions and other non-cash costs[2]	(4.8)	-
Changes in inventories and other adjustments[3]	(1.5)	-
Cost of sales for purposes of unit cost calculation	55.9	10.3
Sales volume for the period	7.8	230
Volume units	Millions of pounds	Gigawatt hours
Unit operating cost[4][5]	$ 7.17	$ 44.95
Unit operating cost (US$ per pound) (NDCC)[6]	$ 5.16	

$ millions, except unit cost and sales volume, for the nine months ended September 30					2025
	Metals	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Cost of sales per financial statements	$ 356.0	$ 15.3	$ 28.9	$ (289.0)	$ 111.2
Less:					
Depletion, depreciation and amortization in cost of sales	(42.2)	(1.5)			
	313.8	13.8			
Adjustments to cost of sales:					
Cobalt by-product revenue - Moa JV and Cobalt Swap	(39.3)	-			
Fertilizer by-product revenue	(60.4)	-			
Other revenue	(31.6)	-			
Cobalt loss	0.3	-			
Realized loss on natural gas swaps	2.0	-			
Royalties/territorial contributions and other non-cash costs[2]	(16.2)	-			
Changes in inventories and other adjustments[3]	4.5	-			
Cost of sales for purposes of unit cost calculation					

173.1

13.8

Sales volume for the period	20.8	589
Volume units	Millions of pounds	Gigawatt hours
Unit operating cost[4][5]	$ 8.32	$ 23.27
Unit operating cost (US$ per pound) (NDCC)[6]	$ 5.95	

$ millions, except unit cost and sales volume, for the nine months ended September 30					2024
	Metals	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Cost of sales per financial statements	$ 385.7	$ 24.2	$ 15.7	$ (330.9)	$ 94.7
Less:					
Depletion, depreciation and amortization in cost of sales	(42.4)	(1.5)			
	343.3	22.7			
Adjustments to cost of sales:					
Cobalt by-product revenue - Moa JV and Cobalt Swap	(35.4)	-			
Fertilizer by-product revenue	(58.3)	-			
Other revenue	(24.0)	-			
Royalties/territorial contributions and other non-cash costs[2]	(18.7)	-			
Changes in inventories and other adjustments[3]	0.9	-			
Cost of sales for purposes of unit cost calculation	207.8	22.7			
Sales volume for the period	25.0	645			
Volume units	Millions of pounds	Gigawatt hours			
Unit operating cost[4][5]	$ 8.30	$ 35.26			
Unit operating cost (US$ per pound) (NDCC)[6]	$ 6.10				

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

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

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

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

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

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

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 September 30	$ millions	
		$/share
Net (loss) earnings from continuing operations	$ (19.5)	$ (0.04)
Adjusting items:		
Sherritt - Unrealized foreign exchange loss - continuing operations	0.9	-
Sherritt's share - Severance related to workforce reduction	3.6	0.01
Corporate and Other - Gain on repurchase of PIK Notes	-	-
Corporate and Other - Unrealized loss on nickel put options	-	-
Corporate and Other - Realized gain on nickel put options	-	-
Metals - Moa JV - Inventory write-down/obsolescence	2.2	-
Metals - Fort Site - Unrealized gain on natural gas swaps		

(0.6

)

-

Metals - Fort Site - Realized loss on natural gas swaps	2.4	0.01
Metals - Fort Site - Inventory write-down/obsolescence	0.2	-
Power - Gain on revaluation of GNC receivable	(5.1)	(0.01)
Power - Loss on revaluation of Energas payable	0.1	-
Oil and Gas - Net earnings from continuing operations, net of unrealized foreign exchange gain/loss	(0.6)	-
Total adjustments, before tax	$ 3.1	$ 0.01
Tax adjustments	0.9	-
Adjusted net loss from continuing operations	$ (15.5)	$ (0.03)

For the nine months ended September 30	$ millions	20 $/s
Net loss from continuing operations	$ (49.7)	$ (
Adjusting items:		
Sherritt - Unrealized foreign exchange loss - continuing operations	-	-
Sherritt's share - Severance related to restructuring and workforce reduction	3.6	0
Corporate and Other - Gain on Debt and Equity Transactions	(32.4)	(
Corporate and Other - Unrealized gain on nickel put options	-	-
Corporate and Other - Realized 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	2.7	0
Metals - Moa JV - Cobalt loss	0.3	-
Metals - Fort Site - Inventory write-down	0.2	-
Metals - Fort Site - Unrealized loss on natural gas swaps	1.2	-
Metals - Fort Site - Realized loss on natural gas swaps	2.0	-
Power - (Gain) loss on revaluation of GNC receivable	(13.3)	(
Power - Loss on revaluation of Energas payable	2.9	0
Oil and Gas - Net loss (earnings) from continuing operations, net of unrealized foreign exchange gain/loss	18.8	0
Total adjustments, before tax	$ (14.0)	$ (
Tax adjustments	0.4	-
Adjusted net loss from continuing operations	$ (63.3)	$ (

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 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
Intangible asset expenditures(2)	-	-	-	-	-	-
	8.7	0.2	-	8.9	$ (6.2)	$ 2.7
Adjustments:						
Accrual adjustment	5.7	-	-	5.7		
Spending on capital	$ 14.4	$ 0.2	$ -	$ 14.6		

$ millions, for the three months ended September 30						2024
	Metals	Power	Other(1)	Combined total	Adjustment for Moa Joint Venture	Total derived from financial statements
Property, plant and equipment expenditures(2)	$ 10.6	$ 0.3	$ -	$ 10.9	$ (9.8)	$ 1.1
Intangible asset expenditures(2)	-	-	-	-	-	-

10.6

0.3

-

10.9

$

(9.8

)

$

1.1

Adjustments:						
Accrual adjustment	0.6	(1.8)	(0.1)	(1.3)		
Spending on capital	$ 11.2	$ (1.5)	$ (0.1)	$ 9.6		

$ millions, for the nine months ended September 30						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
Intangible asset expenditures(2)	-	-	-	-	-	-
	32.8	1.1	0.1	34.0	$ (23.8)	$ 10.2
Adjustments:						
Accrual adjustment	11.8		-	11.8		
Spending on capital	$ 44.6	$ 1.1	$ 0.1	$ 45.8		

$ millions, for the nine months ended September 30						2024
	Metals	Power	Other(1)	Combined total	Adjustment for Moa Joint Venture	Total derived from financial statements
Property, plant and equipment expenditures(2)	$ 27.8	$ 4.4	$ -	$ 32.2	$ (25.8)	$ 6.4
Intangible asset expenditures(2)	-	-	0.2	0.2	-	0.2
	27.8	4.4	0.2	32.4	$ (25.8)	$ 6.6
Adjustments:						
Accrual adjustment	0.6	(1.8)	(0.2)	(1.4)		
Spending on capital	$ 28.4	$ 2.6	$ -	$ 31.0		

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

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

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

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

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

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

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

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

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

$ millions, for the three months ended September 30

	Metals[1][2]	Power	Oil and Gas	Corporate and Other	Combined total
Cash (used) provided by continuing operations for operating activities	$ (9.2)	$ 4.2	$ (2.8)	$ (7.3)	$ (15.1)
Less:					
Property, plant and equipment expenditures	(8.7)	(0.2)	-	-	(8.9)
Free cash flow					

$

(17.9

)

$

4.0

$

(2.8

)

$

(7.3

)

$

(24.0

)

$ millions, for the three months ended September 30

	Metals[1][2]	Power	Oil and Gas	Corporate and Other	Combined total
Cash provided (used) by continuing operations for operating activities	$ 34.8	$ (8.6)	$ (1.9)	$ (3.2)	$ 21.1
Less:					
Property, plant and equipment expenditures	(10.6)	(0.3)	-	-	(10.9)
Free cash flow	$ 24.2	$ (8.9)	$ (1.9)	$ (3.2)	$ 10.2

$ millions, for the nine months ended September 30

	Metals[3][4]	Power	Oil and Gas	Corporate and Other	Combined total
Cash provided (used) by continuing operations for operating activities	$ 32.7	$ 21.1	$ (14.2)	$ (33.4)	$ 6.2
Less:					
Property, plant and equipment expenditures	(32.8)	(1.1)	(0.1)	-	(34.0)
Free cash flow	$ (0.1)	$ 20.0	$ (14.3)	$ (33.4)	$ (27.8)

$ millions, for the nine months ended September 30

	Metals[3][4]	Power	Oil and Gas	Corporate and Other	Combined total
Cash provided (used) by continuing operations for operating activities					

$

87.2

$

(6.7

)

$

(20.7

)

$

(28.4

)

$

31.4

Less:					
Property, plant and equipment expenditures	(27.8)	(4.4)	-	-	(32.2
Intangible expenditures	-	-	(0.2)	-	(0.2
Free cash flow	$ 59.4	$ (11.1)	$ (20.9)	$ (28.4)	$ (1.0

(1) Cash provided by continuing operations for operating activities for the Moa JV, Fort Site and Metals Marketing was $(17.6) million, $10.5 million and $(2.1) million, respectively, for the three months ended September 30, 2025 (September 30, 2024 - $0.7 million, $35.9 million and $(1.8) million, respectively).

(2) Property, plant and equipment expenditures and intangible expenditures for the Moa JV, Fort Site and Metals Marketing was $6.2 million, $2.5 million and nil, respectively, for the three months ended September 30, 2025 (September 30, 2024 - $9.9 million, $0.7 million and nil, respectively).

(3) Cash provided by continuing operations for operating activities for the Moa JV, Fort Site and Metals Marketing was $(2.9) million, $28.1 million and $7.5 million, respectively, for the nine months ended September 30, 2025 (September 30, 2024 - $35.8 million, $47.9 million and $3.5 million, respectively).

(4) Property, plant and equipment expenditures and intangible expenditures for the Moa JV, Fort Site and Metals Marketing was $23.8 million, $9.0 million and nil, respectively, for the nine months ended September 30, 2025 (September 30, 2024 - $25.9 million, $1.9 million and nil, respectively).

View source version on businesswire.com: https://www.businesswire.com/news/home/20251104668820/en/

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

Sherritt International Corporation
Bay Adelaide Centre, East Tower
22 Adelaide St. West, Suite 4220
Toronto, ON M5H 4E3
www.sherritt.com