

SC2 INC.

(Applicant)

- and -

**TORONTO STOCK EXCHANGE,
SHERRITT INTERNATIONAL CORPORATION and
ONTARIO SECURITIES COMMISSION**

(Respondents)

NOTICE OF MOTION

Kyma Capital Opportunities Master Fund Limited (“Kyma”) and Pala Assets Holdings Limited (“Pala”) will bring a motion to the Capital Markets Tribunal (“CMT”) in writing:

A. ORDER SOUGHT

1. An Order pursuant to section 21(4) of the CMT’s *Rules of Procedures and Forms* (the “Rules”) granting Kyma and Pala party standing with respect to the application made by SC2 Inc. (“SC2”) in this matter (the “Application”).
2. In the alternative, an Order pursuant to section 24(4) of the Rules granting Kyma and Pala *Torstar* status to make submissions or modified *Torstar* status to make submissions and lead some evidence at the hearing of the Application.
3. An Order abridging the time for service of the motion.
4. Such further and other relief as counsel may advise and the CMT may permit.

B. GROUNDS FOR THE MOTION

5. The underlying Application commenced by SC2 seeks a review of a decision of the Toronto Stock Exchange (“TSX”) to approve an issuance of the aggregate amount of 99,000,000 common shares (the “New Shares”) of Sherritt International Corporation (“Sherritt” or the “Company”) in exchange for Amended Senior Secured Notes (as defined herein) in the aggregate principal amount of \$17,127,000 to the holders of such notes (the “Initial Consenting Noteholders” or “Subsequent Exchange Noteholders”).

6. Kyma and Pala, respectively, are the Initial Consenting Noteholders. As a result, they are directly affected by the relief sought on the Application.

7. Kyma and Pala seek standing to intervene as parties to the Application, to ensure their unique perspectives are before the CMT.

The Parties

8. Sherritt is a TSX listed Canadian resource company with its registered office in Ontario.

9. Kyma is a limited company existing under the laws of the Cayman Islands. As a result of the transactions described below, Kyma has ownership of, or control or direction, over 67,000,000 of the New Shares, representing approximately 13.5% of the issued and outstanding common shares of Sherritt.

10. Kyma also holds amended 9.25% second lien secured notes due November 30, 2031 issued by Sherritt pursuant to the CBCA Plan (as defined herein) under an amended and restated trust indenture dated as of April 17, 2025 (the “Amended Senior Secured Notes”).

11. Pala is a corporation incorporated under the laws of Jersey. As a result of the transactions described below, Pala has ownership of, or control or direction over, 32,000,000 of the New Shares, representing approximately 6.4% of the issued and outstanding common shares of Sherritt. Pala also holds Amended Senior Secured Notes.

Background

12. On March 4, 2025, Sherritt announced its intention to complete two transactions to extend its existing debt maturities and strengthen its capital structure:

- (a) A plan of arrangement under the *Canada Business Corporations Act* (the “CBCA Plan”) to, among other things, extend the maturity of Sherritt’s existing senior secured notes and junior notes, by exchanging those notes for the Amended Senior Secured Notes, subject to Court and noteholder approval (the “CBCA Transaction”); and
- (b) A transaction whereby, among other things, the Initial Consenting Noteholders, which had agreed to support the CBCA Transaction pursuant to the terms of a support agreement dated March 3, 2025 (the “Support Agreement”), would exchange a portion of the Amended Senior Secured Notes received under the CBCA Transaction, in the aggregate principal amount of \$17,127,000, for the aggregate amount of 99,000,000 New Shares at an exchange price of \$0.173 (with such shares when issued not exceeding 19.9% of the total common shares of the Company) (the “Subsequent Exchange Transaction”).

13. The CBCA Transaction and Subsequent Exchange Transaction were cross-conditional on each other. Under the terms of the CBCA Transaction, all of the conditions precedent to the Subsequent Exchange Transaction were required to have been satisfied in escrow (or waived) prior to the effective time of the CBCA Transaction such that the Subsequent Exchange Transaction could close immediately after completion of the CBCA Transaction.

14. On April 4, 2025, the CBCA Transaction received noteholder approval. On April 9, 2025, the CBCA Transaction received final Court approval.

15. On March 7, 2025, counsel for Sherritt wrote to the Toronto Stock Exchange (“TSX”) pursuant to section 602 of the TSX Company Manual to provide notice of the private placement and to request listing approval for the common shares to be issued pursuant to the Subsequent Exchange Transaction.

16. On March 21, 2025, following submissions to the TSX by counsel for Sherritt and counsel for SC2, the TSX conditionally approved issuance of the New Shares (without any requirement for shareholder approval).

17. On April 9, 2025, following further submissions by counsel for Sherritt and counsel for SC2, the TSX Listings Committee considered the matter and “determined that the conditional approval letter dated March 21, 2025 stands, with no additional conditions imposed.”

18. Following noteholder approval on April 4, 2025, and final Court approval on April 9, 2025, the CBCA Transaction closed on April 17, 2025. The Subsequent Exchange Transaction closed thereafter on April 22, 2025.

19. Upon implementation of the Subsequent Exchange Transaction:

- (a) each of the Initial Consenting Noteholders and Sherritt entered into put agreements, among other things, entitling the Initial Consenting Noteholders to require the Company to repurchase in, in aggregate, \$45 million of Amended Senior Secured Notes from the Initial Consenting Noteholders on four scheduled repurchase dates; and
- (b) Kyma and Sherritt entered into an investor rights agreement, entitling Kyma to certain rights provided it owns at least 10% of the issued and outstanding common shares of the Company, including the right to nominate one individual for election or appointment to the board of directors of Sherritt and a pre-emptive right to participate in future common share offerings.

20. As a result of the CBCA Transaction and the Subsequent Exchange Transaction, Kyma and Pala hold approximately 13.5% and 6.4%, respectively, of the issued and outstanding common shares of Sherritt.

Kyma and Pala Are Directly Affected by the Application

21. The Application directly engages the legal and economic interests of the Initial Consenting Noteholders. In the Application, SC2 asks the Court to set aside the TSX Decision, which would have the effect of unwinding the Subsequent Exchange Transaction. If that were to occur, the Initial Consenting Noteholders would be deprived of a material portion of the consideration provided to obtain their support for the CBCA Transaction and result in a fundamentally different transaction than that bargained for by the Initial Consenting Noteholders.

22. In the alternative, SC2 asks the Tribunal to preclude the Initial Consenting Noteholders from voting their shares at Sherritt's annual general meeting scheduled for June 10, 2025, which would deprive the Initial Consenting Shareholders of their right to vote in respect of matters affecting Sherritt, despite having a significant economic interest in the Company.

23. The Application also implicates the conduct of the Initial Consenting Noteholders. The Application variously asserts that certain of the Initial Consenting Noteholders are receiving improper preferential treatment or otherwise acting to entrench management of Sherritt. The Initial Consenting Noteholders dispute these assertions and request that the Tribunal provide them with the opportunity to respond to these allegations.

24. The Initial Consenting Noteholders negotiated and provided their support to the CBCA Transaction and Subsequent Exchange Transaction in reliance on stated TSX policies. If the Application is granted, the Initial Consenting Noteholders would be seriously prejudiced.

25. The Initial Consenting Noteholders will make a useful contribution to the Application and their participation will not cause undue delay or otherwise prejudice the parties.

26. The CMT has the jurisdiction to determine whether to grant standing to the Initial Consenting Noteholders to respond to the Application.

27. The Initial Consenting Noteholders rely on section 24(4) of the Rules, sections 8, 21.7 and 21(5) of the *Securities Act*, R.S.O. 1990, c. S. 5, and the TSX Company Manual, Part I (Interpretation) and sections 601 to 605.

C. DOCUMENTS AND EVIDENCE

28. The Initial Consenting Shareholders intend to rely on the following evidence, as well as a written memorandum, at the hearing:

- (a) The affidavit of Renata Botelho Machado sworn, April 28, 2025.
- (b) The affidavit of Shane Attersley sworn, April 28, 2025.
- (c) The TSX Record.
- (d) Such further and other evidence as counsel may advise and the Commission may permit.

April 28, 2025

BENNETT JONES LLP
3400 One First Canadian Place
Toronto, ON M5X 1A4

Robert W. Staley (#27115J)
Email: staleyr@bennettjones.com

Kristopher R. Hanc (#53713D)
Email: hanck@bennettjones.com

Douglas A. Fenton (#75001I)
Email: fentond@bennettjones.com

Tel: (416) 863-1200
Fax: (416) 863-1716

Lawyers for the Proposed Intervenors,
Initial Consenting Noteholders

TO: **CRAWLEY MACKEWN BRUSH LLP**
Suite 800, 179 John Street
Toronto, ON M5T 1X4

Linda Fuerst
Email: LFuerst@cmblaw.ca
Tel: (416) 217-0853

Alistair Crawley
Email: ACrawley@cmblaw.ca
Tel: (416) 217-0806

Melissa MacKewn
Email: MMacKewn@cmblaw.ca
Tel: (416) 217-0840
Fax: (416) 217-0220

Lawyers for SC2 Inc.

AND TO: **OSLER, HOSKIN & HARCOURT LLP**
100 King Street West, Suite 6200
Toronto, ON M5X 1B8

Teresa Tomchak
Email: ttomchak@osler.com
Tel: (604) 692-2704

Lauren Harper
Email: lharper@osler.com
Tel: (416) 862-4288

Tamara Kljakic
Email: tkljakic@osler.com
Tel: (416) 862-6412
Fax: (416) 862-6666

Lawyers for Toronto Stock Exchange

AND TO:

GOODMANS LLP

Bay Adelaide Centre - West Tower
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Robert Chadwick

Email: rchadwick@goodmans.ca
Tel: (416) 597-4285

Alan Mark

Email: amark@goodmans.ca
Tel: (416) 597-4264

Tim Heeney

Email: theeney@goodmans.ca
Tel: (416) 597-4195

Carlie Fox

Email: cfox@goodmans.ca
Tel: (416) 849-6907
Fax: (416) 979-1234

Lawyers for Sherritt International Corporation

AND TO:

Ontario Securities Commission

20 Queen Street West – 20th Floor
Toronto, ON M5H 3S8

Charlie Pettypiece

Tel: (416) 593-8314
Email: cpettypiece@osc.gov.on.ca

Cullen Price

Tel: (416) 593-8314
Email: cprice@osc.gov.on.ca

Lawyers for the Ontario Securities Commission

AND TO:

McCarthy Tétrault

745 Thurlow Street, Suite 2400
Vancouver, BC V6E 0C5

Owais Ahmed

Email: oahmed@mccarthy.ca

Tel: (604) 643-5964

Fax: (604) 643-7900

Lawyers for Ewing Morris & Co.

SC2 INC.

-and-

TORONTO STOCK EXCHANGE

Applicant

Respondent
File No. 2025-9

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT TORONTO

NOTICE OF MOTION

BENNETT JONES LLP

3400 One First Canadian Place
Toronto, ON M5X 1A4

Robert W. Staley (#27115J)

Email: staleyr@bennettjones.com

Kristopher R. Hanc (#53713D)

Email: hanck@bennettjones.com

Douglas A. Fenton (#75001I)

Email: fentond@bennettjones.com

Tel: (416) 863-1200

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Lawyers for the Proposed Intervenor,
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