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Sherritt International Corporation
Interim Consolidated
Financial Statements (unaudited)

As at and for the three and nine months ended September 30, 2009

Sherritt International Corporation

As at and for the three and nine months ended September 30, 2009

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Consolidated Balance Sheets

Unaudited, $ millions, as at	2009 September 30	2008 December 31
ASSETS		
Current assets		
Cash and cash equivalents	$ 814.4	$ 500.9
Restricted cash	1.9	11.7
Short-term investments	473.7	106.5
Current portion of long-term investments (note 7)	42.4	-
Current portion of other assets (note 8)	67.5	56.2
Accounts receivable, net (note 20)	331.9	451.0
Inventories (note 5)	172.7	191.3
Prepaid expenses	19.1	12.7
Future income taxes	31.4	37.2
	1,955.0	1,367.5
Long-term receivables (note 20)	16.8	162.2
Property, plant and equipment (note 6)	6,936.0	6,703.0
Investments (note 7)	127.9	42.4
Future income taxes	13.4	95.5
Other assets (note 8)	337.2	385.4
Goodwill	307.9	307.9
Intangible assets	477.3	483.3
	$ 10,171.5	$ 9,547.2
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Short-term debt (note 9)	$ 7.7	$ 47.3
Accounts payable and accrued liabilities	435.8	671.6
Deferred revenue	4.7	8.1
Current portion of long-term debt and other long-term liabilities (note 9)	80.6	57.4
Current portion of asset-retirement obligations (note 10)	24.0	24.0
Future income taxes	0.9	4.8
	553.7	813.2
Long-term debt and other long-term liabilities (note 9)	3,293.6	2,492.7
Asset-retirement obligations (note 10)	140.6	124.2
Future income taxes	561.9	721.6
	4,549.8	4,151.7
Non-controlling interests (note 11)	2,157.2	1,668.4
Shareholders' equity		
Capital stock (note 12)	2,758.8	2,758.3
Contributed surplus (note 13)	232.0	232.0
Retained earnings	511.6	505.8
Accumulated other comprehensive (loss) income (note 15)	(37.9)	231.0
	473.7	736.8
	3,464.5	3,727.1
	$ 10,171.5	$ 9,547.2

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

Consolidated Statements of Operations

Unaudited, $ millions, except per share amounts	For the three months ended 2009 September 30	2008 September 30	For the nine months ended 2009 September 30	2008 September 30
Revenue	**$ 389.6**	$ 478.3	**$ 1,097.7**	$ 1,236.2
Operating, selling, general and administrative expenses [1]	**273.6**	281.3	**814.5**	691.4
Earnings before undernoted items	**116.0**	197.0	**283.2**	544.8
Depletion, amortization and accretion	**45.8**	53.3	**133.6**	139.5
Loss on disposal of property, plant and equipment (note 6)	-	-	**79.5**	-
Net financing expense (note 16)	**0.7**	2.1	**15.0**	14.7
Share of earnings of equity-accounted investments	-	(0.1)	-	(9.5)
Other items	-	-	**1.5**	-
Earnings from operations before income taxes and non-controlling interests	**69.5**	141.7	**53.6**	400.1
Income taxes (note 18)	**8.8**	(0.4)	**(0.3)**	75.8
Non-controlling interests (note 11)	**4.8**	9.0	**16.5**	21.9
Net earnings	**$ 55.9**	$ 133.1	**$ 37.4**	$ 302.4
Net earnings per share (note 12)				
Basic	**$ 0.19**	$ 0.45	**$ 0.13**	$ 1.12
Diluted	**$ 0.19**	$ 0.45	**$ 0.13**	$ 1.11

(1) Includes depreciation on production related depreciable assets for the three and nine months ended September 30, 2009 of $20.5 million and $61.2 million, respectively ($17.1 million and $34.7 million for the three and nine months ended September 30, 2008, respectively).

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

Consolidated Statements of Retained Earnings

Unaudited, $ millions	For the three months ended 2009 September 30	2008 September 30	For the nine months ended 2009 September 30	2008 September 30
Beginning of period, as previously reported	**$ 466.2**	$ 985.9	**$ 505.8**	$ 833.6
Change in accounting policy	-	-	-	2.7
Beginning of period, as restated	**466.2**	985.9	**505.8**	836.3
Net earnings	**55.9**	133.1	**37.4**	302.4
Dividends on common shares	**(10.5)**	(10.6)	**(31.6)**	(30.3)
End of period	**$ 511.6**	$ 1,108.4	**$ 511.6**	$ 1,108.4

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

Consolidated Statements of Comprehensive (Loss) Income

Unaudited, $ millions	For the three months ended 2009 September 30	2008 September 30	For the nine months ended 2009 September 30	2008 September 30
Net earnings	**$ 55.9**	$ 133.1	**$ 37.4**	$ 302.4
Other comprehensive (loss) income				
Unrealized foreign currency (loss) gain on self-sustaining foreign operations	**(168.1)**	76.3	**(268.9)**	131.7
Comprehensive (loss) income	**$ (112.2)**	$ 209.4	**$ (231.5)**	$ 434.1

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

Consolidated Statements of Cash Flow

Unaudited, $ millions	For the three months ended 2009 September 30	2008 September 30	For the nine months ended 2009 September 30	2008 September 30
Operating activities				
Earnings from operations	$ 55.9	$ 133.1	$ 37.4	$ 302.4
Add (deduct)				
Non-controlling interests (note 11)	4.8	9.0	16.5	21.9
Depletion, amortization and accretion	66.3	70.4	194.8	174.2
Stock-based compensation expense (recovery) (note 14)	2.9	(15.1)	5.0	(7.4)
Share of earnings of equity-accounted investments	-	(0.1)	-	(9.5)
Loss on disposal of property, plant and equipment (note 6)	-	-	79.5	-
Future income taxes (note 18)	(2.2)	(17.6)	(22.6)	(20.1)
Unrealized foreign-exchange gain	(7.8)	(19.3)	(2.4)	(18.3)
Liabilities settled for asset-retirement obligations (note 10)	(2.6)	(0.4)	(10.6)	0.1
Other Items	2.7	(5.0)	12.6	(5.5)
	120.0	155.0	310.2	437.8
Net change in non-cash working capital (note 4)	78.5	(112.5)	30.6	(222.5)
Cash provided by operating activities	198.5	42.5	340.8	215.3
Investing activities				
Capital expenditures	(397.0)	(479.7)	(1,202.1)	(1,561.2)
Restricted cash	0.1	17.7	9.8	13.8
Net proceeds from sale of property, plant and equipment	-	0.1	7.5	0.2
Short-term investments	(129.9)	-	(367.2)	103.5
Proceeds from sale of investments	0.1	-	15.1	-
Acquisition of Royal Utilities Income Fund	-	-	-	(240.3)
Distribution from investment	-	-	-	15.9
Net change in non-cash capital expenditures	(231.3)	(28.0)	(156.3)	153.2
Advances (repayments) and other assets	2.7	(41.0)	5.4	(112.3)
Cash used for investing activities	(755.3)	(530.9)	(1,687.8)	(1,627.2)
Financing activities				
Short-term debt (repayments) borrowings	(92.2)	0.9	(40.2)	(51.8)
Long-term debt repayment	(10.5)	(223.7)	(90.0)	(232.9)
Long-term debt borrowings	675.4	504.2	1,131.6	1,430.4
Funding from Ambatovy Joint Venture partners	163.6	35.7	734.1	100.3
Issuance of common shares	0.5	1.4	0.5	418.2
Dividends paid to non-controlling interests	(2.0)	-	(14.1)	(10.3)
Dividends paid on common shares	(10.5)	(10.5)	(31.6)	(28.1)
Cash provided by financing activities	724.3	308.0	1,690.3	1,625.8
Effect of exchange rate changes on cash and cash equivalents	(25.2)	9.9	(29.8)	8.8
Increase (decrease) in cash and cash equivalents	142.3	(170.5)	313.5	222.7
Cash and cash equivalents at beginning of period	672.1	748.9	500.9	355.7
Cash and cash equivalents at end of period	$ 814.4	$ 578.4	$ 814.4	$ 578.4
Cash and cash equivalents consist of:				
Cash on hand and balances with banks	$ 739.4	$ 361.9	$ 739.4	$ 361.9
Cash equivalents	75.0	216.5	75.0	216.5
Supplementary Cash Flow Information				
Cash received for interest	$ 33.2	$ 3.8	$ 50.9	$ 13.2
Cash paid for interest on debt	1.8	1.7	62.2	25.3
Cash paid for income taxes	(5.8)	35.7	9.7	180.5

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

Notes to the Interim Consolidated Financial Statements (Unaudited)

1. Summary of accounting policies

These interim consolidated financial statements have been prepared on a basis consistent with that followed in the consolidated financial statements of Sherritt International Corporation (the Corporation or Sherritt) for the year ended December 31, 2008, with the exception of the changes disclosed in note 2 of these interim consolidated financial statements. The disclosure contained in these interim consolidated financial statements does not include all requirements of Canadian generally accepted accounting principles for annual financial statements. Accordingly, the interim consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2008.

2. Changes in accounting policies and accounting pronouncements

Changes in accounting policies

Goodwill and other Intangible Assets

Effective January 1, 2009, the Corporation adopted the new recommendations of the Canadian Institute of Chartered Accountants (CICA) Handbook Section 3064, "Goodwill and Intangible Assets", which replaced Section 3062, "Goodwill and Other Intangible Assets" and Section 3450, "Research and Development Costs". The new standard provides guidance on the recognition, measurement, presentation and disclosure of goodwill and intangible assets subsequent to their initial recognition. The adoption of this standard did not have a significant impact on the interim consolidated financial statements.

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2009, the CICA issued EIC-173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities" which requires the Corporation to consider its own credit risk as well as the credit risk of its counterparty when determining the fair value of financial assets and liabilities, including derivative instruments. The accounting treatments provided in EIC-173 have been applied in the preparation of these interim consolidated financial statements and as required have been applied retrospectively without restatement of prior periods. The adoption of this standard did not have an impact on the valuation of financial assets or liabilities.

Mining Exploration Costs

In March 2009, the CICA issued EIC-174, "Mining Exploration Costs" which provides guidance to mining enterprises related to the accounting and the conditions that a mining enterprise should consider when determining the need to perform an impairment review of such costs. The accounting treatments provided in EIC-174 have been applied in the preparation of these interim consolidated financial statements and did not have an impact on the valuation of exploration assets.

Financial Instruments – Recognition and Measurement

In July 2009, the Accounting Standards Board approved amendments to Section 3855 – "Financial Instruments: Recognition and Measurement" in order to converge with international standards for impairment of debt instruments by changing the categories into which debt instruments are required and permitted to be classified. These amendments will permit (or require in certain circumstances) entities to reclassify certain investments in debt instruments, amend the guidance regarding impairment measurement for held-to-maturity debt instruments and require reversals of impairment losses for available-for-sale-debt instruments when conditions have changed. These amendments apply only to investments in debt instruments and do not apply to investments in equity instruments or to debt instruments that have been designated at origination as held-for-trading. The amendments are effective for annual financial statements for fiscal years beginning on or after November 1, 2008. An entity is permitted, but not required, to apply these amendments to interim financial statements relating to periods within the fiscal year of adoption only if those interim financial statements are issued on or after August 20, 2009. The Corporation adopted this standard for these interim consolidated financial statements. The adoption of this standard did not have an impact on the classification of its debt instruments.

Accounting pronouncements

Convergence with International Financial Reporting Standards

The Canadian Accounting Standards Board (AcSB) requires all Canadian publicly accountable entities to adopt International Financial Reporting Standards (IFRS) for years beginning on or after January 1, 2011. The Corporation's first mandatory filing under IFRS, which will be the first quarter of 2011, will contain IFRS-compliant financial statements on a comparative basis, as well as reconciliations to Canadian GAAP for that quarter and as at the January 1, 2010 transition date. Although IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences in recognition, measurement and disclosure.

Business Combinations/Consolidated Financial Statements/Non-Controlling Interests

In January 2009, the CICA issued Sections 1582, "Business Combinations", 1601, "Consolidated Financial Statements", and 1602, "Non-Controlling Interests" which superseded current Sections 1581, "Business Combinations" and 1600 "Consolidated Financial Statements". These new sections replaced existing guidance on business combinations and consolidated financial statements to harmonize Canadian accounting for business combinations with IFRS. These sections will be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Earlier adoption is permitted. If an entity applies these sections before January 1, 2011, it is required to disclose that fact and apply each of the new sections concurrently. The Corporation is currently evaluating the impact of the adoption of these changes on its consolidated financial statements.

Financial Instruments – Disclosures

In June 2009, the CICA amended Section 3862, "Financial Instruments – Disclosures", to include additional disclosure requirements about fair value measurement for financial instruments and liquidity risk disclosures. These amendments require a three level hierarchy that reflects the significance of the inputs used in making the fair value measurements. Fair value of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than the quoted prices for which all significant inputs are based on observable market data, either directly or indirectly. Level 3 valuations are based on inputs that are not based on observable market data. The amendments to Section 3862 apply to annual financial statements for fiscal years ending after September 30, 2009. Earlier adoption is permitted. The Corporation is currently evaluating the impact of the adoption of these changes on its consolidated financial statements.

3. Discontinued operation

During the third quarter of 2009, the Corporation determined that its Mineral Products division no longer met the criteria to be classified and accounted for as a discontinued operation as the Corporation was no longer actively marketing this division for sale. These interim consolidated financial statements include the net assets and results of operations of the division with the prior periods being restated accordingly. The division incurred losses of $0.6 million and $2.7 million for the three and nine months ended September 30, 2009, respectively; losses for the Mineral Products division were $2.3 million and $3.0 million for the three and nine months ended September 30, 2008. The Mineral Products division is included in the "Corporate and Other" segment (note 22).

4. Net change in non-cash working capital

	For the three months ended		For the nine months ended	
	2009	2008	**2009**	2008
$ millions	**September 30**	September 30	**September 30**	September 30
Accounts receivable	**$ (6.4)**	$ (76.1)	**$ 54.1**	$ (64.1)
Inventories	**3.5**	(30.8)	**11.0**	(58.4)
Prepaid expenses	**(1.1)**	(0.6)	**(3.4)**	(7.2)
Accounts payable and accrued liabilities	**82.5**	(5.0)	**(31.1)**	(92.8)
	$ 78.5	$ (112.5)	**$ 30.6**	$ (222.5)

As described in note 7, the Corporation received US$161.1 million with respect to Oil and Gas and Power receivables in the first quarter of 2009. The Corporation, as required by the payment agreement, purchased Cuban certificates of deposit (CDs) of approximately the same amount. Accordingly, the reduction in accounts receivable (current and long-term) is not reflected as a change in non-cash working capital.

5. Inventories

	2009	2008
$ millions, as at	**September 30**	December 31
Uncovered coal	**$ 5.3**	$ 6.0
Raw materials	**22.9**	23.4
Materials in process	**29.6**	48.0
Finished products	**27.7**	35.8
	85.5	113.2
Spare parts and operating materials	**87.2**	78.1
	$ 172.7	$ 191.3

For the three and nine months ended September 30, 2009, the cost of inventories recognized as an expense and included in Operating, selling, general and administrative expenses was $177.6 million and $523.9 million, respectively ($185.0 million and $453.1 million for the three and nine months ended September 30, 2008, respectively).

6. Property, plant and equipment

$ millions, as at			2009 September 30			2008 December 31
	Cost	Accumulated amortization and depletion	Net book value	Cost	Accumulated amortization and depletion	Net book value
Metals	$ 5,629.8	$ 202.3	$ 5,427.5	$ 5,301.9	$ 192.5	$ 5,109.4
Coal	1,353.8	583.5	770.3	1,286.3	553.2	733.1
Oil and Gas	1,268.5	1,007.2	261.3	1,553.3	1,157.5	395.8
Power	618.2	182.1	436.1	595.7	162.3	433.4
Other	100.2	59.4	40.8	87.5	56.2	31.3
	$ 8,970.5	$ 2,034.5	$ 6,936.0	$ 8,824.7	$ 2,121.7	$ 6,703.0

On January 14, 2009, Sherritt's joint operating partner, Peberco Limited, entered into an agreement (the Peberco agreement) with an agency of the Cuban government in respect of the termination of the production-sharing contract for Block 7 and the settlement of outstanding accounts receivable in respect of crude oil sales, for aggregate cash consideration of US$140.0 million. As a result of the Peberco agreement, on February 11, 2009 Sherritt received $74.1 million (US$60.2 million) as its share of proceeds in respect of its interest in Block 7 which was applied against the outstanding accounts receivable.

As at December 31, 2008, the Corporation performed an impairment analysis on the Block 7 assets in accordance with the guidance prescribed in CICA Accounting Guideline 16 (AcG-16) "Oil and gas full-cost accounting". The full-cost method of accounting requires the recoverability of each cost centre to be tested at the balance sheet date by comparing the carrying value to the sum of the undiscounted expected cash flows from proved reserves of the cost centre (the Ceiling test). The standard specifies that there is one cost centre for each country in which the Corporation has oil and gas activities. This impairment analysis indicated that these assets were not impaired.

AcG-16 also requires a gain or loss to be recognized on the disposal of long-lived assets if certain conditions are met. As a result of the termination of Block 7, the Corporation met those conditions and a loss on disposal of $79.5 million was recorded in the first quarter of 2009.

The Property, plant and equipment balance included development and pre-production expenditures attributable to the Ambatovy Project of $3,400.9 million (December 31, 2008 - $2,831.1 million). In addition to the Ambatovy Project expenditures, assets under construction of $328.4 million were included in Property, plant and equipment at September 30, 2009 (December 31, 2008 - $449.0 million).

Net interest expense capitalized for the three and nine months ended September 30, 2009 was $16.6 million and $47.1 million, respectively ($14.4 million and $23.2 million for the three and nine months ended September 30, 2008, respectively).

7. Investments

$ millions, as at	2009 September 30	2008 December 31
Cuban certificates of deposit	**$ 141.9**	$ -
Master Asset Vehicles (MAV notes)		
(previously known as ABCP-restructured notes) (note 20)	**22.8**	21.2
Other	**5.6**	21.2
	170.3	42.4
Current portion of Cuban certificates of deposit	**(42.4)**	-
	$ 127.9	$ 42.4

In February 2009, a payment agreement was finalized with respect to the overdue 2008 Oil and Gas and Power receivables in Cuba. The $154.3 million in Oil and Gas receivables and $42.9 million in Power receivables overdue at December 31, 2008 were paid on February 20, 2009 (US$161.1 million). Subsequently, as required by the payment agreement, Sherritt purchased two Cuban CDs in the amounts of US$124.4 million and US$34.7 million upon which principal and interest are required to be paid weekly over five years. These CDs were issued by a Cuban bank and bear interest at a rate of 30-day LIBOR plus 5%. Since the purchase of the CDs, the Corporation has received a weekly payment of approximately US$0.6 million plus interest on the outstanding amount. In the event of default, Sherritt holds the right to receive payment from the cash flows payable by the Moa Joint Venture to its Cuban beneficiaries. Of these CDs, $42.4 million were classified as current. The Corporation has classified these CDs as loans and receivables, measured at amortized cost.

8. Other assets

$ millions, as at	2009 September 30	2008 December 31
Advances and loans receivable	**$ 248.2**	$ 287.3
Progress payments on equipment	**52.6**	30.2
Cross-guarantee fee asset	**37.4**	46.4
Notes receivable	**22.8**	26.1
Assets held for sale	**10.3**	17.8
Pension asset	**5.5**	5.9
Put/call option - Ambatovy Project	**7.5**	7.5
Deferred reclamation recoveries	**4.7**	4.7
Deferred items	**12.6**	11.7
Other	**3.1**	4.0
	404.7	441.6
Current portion of advances and loans receivable	**(67.2)**	(56.2)
Current portion of assets held for sale	**(0.3)**	-
Current portion of other assets	**(67.5)**	(56.2)
	$ 337.2	$ 385.4

In June 2009, the Corporation concluded the sale of its 25% indirect interest in a hotel complex in Varadero, Cuba and its 12.5% indirect interest in a hotel complex in Havana, Cuba for total proceeds of approximately $14.0 million. The hotels were classified as investments at December 31, 2008. The balance of the other assets classified as held for sale include uninstalled property, plant and equipment at the Moa Joint Venture.

9. Short-term debt, long-term debt and other long-term liabilities

Short-term debt

$ millions, as at	2009 September 30	2008 December 31
364-day liquidity line of credit	$ -	$ 25.0
MAV liquidity line of credit (previously known as 6-month liquidity line of credit)	-	16.0
Other	7.7	6.3
	$ 7.7	$ 47.3

In August 2009, the Corporation amended the $20.0 million 6-month liquidity line of credit to extend the expiry date to August 5, 2010 (renamed MAV liquidity line of credit). This facility is subject to the same financial covenants as the Syndicated 364-day revolving term credit facility (see description below). At September 30, 2009 there were no amounts owing on this facility.

Also in August 2009, the $40.0 million 364-day liquidity line of credit was replaced with the MAV note loans which were reclassified as long-term debt (see description of the MAV note loans below).

In May 2009, the Corporation amended the terms of the $140.0 million Syndicated 364-day revolving-term credit facility. Under the terms of the amended agreement, the loan is subject to the following financial covenants: financial debt-to-equity less than 0.5:1; quarterly adjusted net financial debt-to-EBITDA not exceeding between 2.5:1 and 3.9:1 depending on the quarter; and EBITDA-to-interest greater than 3:1. The interest rate on the Syndicated 364-day revolving-term credit is prime plus 3% per annum or Bankers Acceptances plus 4% and the facility expires on May 10, 2010. At September 30, 2009 there were no amounts owing on this facility.

Long-term debt and other long-term liabilities

$ millions, as at	2009 September 30	2008 December 31
7.875% senior unsecured debentures due 2012	$ 267.4	$ 266.0
8.25% senior unsecured debentures due 2014	221.7	221.3
7.75% senior unsecured debentures due 2015	271.9	271.6
Ambatovy Joint Venture financing	1,655.2	1,246.9
Ambatovy Joint Venture additional partner loans	418.4	-
Ambatovy Joint Venture partner loans	92.8	76.2
Senior credit facility agreement	145.4	145.3
Loan from financial institution	20.8	28.6
3-year non-revolving term loan	19.0	-
	3,112.6	2,255.9
Advances and loans payable	132.1	137.9
Capital lease obligations	92.3	86.7
Pension liability	13.7	10.5
Other long-term liabilities	23.5	59.1
	3,374.2	2,550.1
Current portion of long-term debt and other long-term liabilities	(80.6)	(57.4)
	$ 3,293.6	$ 2,492.7

Ambatovy Joint Venture additional partner loan agreements:

On June 24, 2009, Sherritt finalized arrangements with its Ambatovy partners, Sumitomo Corporation, Korea Resources Corporation (Kores) and SNC-Lavalin Inc. that established a mechanism through which the partners could finance the Corporation's pro rata share of shareholder funding requirements for the Ambatovy Project (Ambatovy Joint Venture additional partner loans).

These additional loans are not committed except for a commitment of US$22.9 million to offset a reduction in amounts available under the Ambatovy Joint Venture partner loans. They are non-recourse to Sherritt except in circumstances where there is a direct breach by Sherritt of restrictions in the loan documents, which limit the activities of certain subsidiaries and the use of proceeds from the loans to the Ambatovy Project (the Project).

Interest and principal on these loans will be repaid solely through Sherritt's share of the distributions from the Ambatovy Joint Venture. However, Sherritt has the right to prepay some or all of the loans at its option. Until the Ambatovy Joint Venture partner loans and the Ambatovy Joint Venture additional partner loans are fully repaid, 100% of Sherritt's distributions from the Project will be applied to these loans. Initially, 75% of Sherritt's share of distributions will be applied to the Ambatovy Joint Venture additional partner loans and 25% will be applied to the Ambatovy Joint Venture partner loans with 100% of such distributions being applied to whichever loans remain outstanding when one has been repaid in full.

Each lender individually has the right to exchange some or all of its Ambatovy Joint Venture additional partner loan for up to a maximum 15% equity interest, in aggregate, in the Project at any time. Exercise of these rights in full would reduce Sherritt's interest in the Project to 25%. This right is subject to senior project lender consent and Sherritt's right to repay all three such loans on a pro-rata basis and avoid the reduction in its equity interest. If the capital costs of the Project were to exceed US$4.52 billion and Sherritt did not provide its pro rata share of funding for the cost overrun, the partners could dilute Sherritt's interest in the Project below the 25% threshold. There are no other penalties to Sherritt for a failure to fund its pro rata share of shareholder funding.

The lenders' conversion option incorporated in these loan agreements is an embedded derivative. The lenders' conversion option has been bifurcated from the loan and ascribed a nominal value.

These loans, excluding the embedded derivative, have been classified as liabilities measured at amortized cost using the effective interest method.

These loans carry interest at a rate of LIBOR plus 7% per annum. The interest charges on the Ambatovy Joint Venture additional partner loans will be capitalized to deferred development costs as the Project is constructed up to commencement of operations.

In conjunction with the Ambatovy Joint Venture additional partner loans, Sherritt received additional completion guarantee protection as related to the US$2.1 billion senior project financing facility. Sherritt's pro rata share of these completion guarantees is US$840.0 million and, under existing arrangements, US$598.0 million of Sherritt's obligations have been cross-guaranteed by the other partners. Under the new agreements, the other Project partners have agreed to provide letters of credit to the senior lenders to cover any guarantee obligation of Sherritt not covered by the existing cross-guarantees.

The Project's US$2.1 billion senior project financing is unaffected by these arrangements.

Ambatovy Joint Venture partner loans:

As a condition for providing funding under the Ambatovy Joint Venture additional partner loan agreements (described above), the Corporation was required to repay from the proceeds of the new loans US$50.0 million of the existing Ambatovy Joint Venture partner loans such that the principal amount of the original loans is US$85.4 million. Including accrued interest, $92.8 million was outstanding on these loans at September 30, 2009. The advances that are outstanding at September 30, 2009, continue to bear interest at a rate of LIBOR plus 1.125%. There is no intention to borrow additional amounts under these loan agreements. Additional advances on these loans are subject to interest at a rate of LIBOR plus 10% per annum. As well, the share of Sherritt's distributions from the Ambatovy Joint Venture to be used to repay interest and principal under this facility has been reduced from 70% to 25%.

3-year non-revolving term facility:

On March 31, 2009, CVRI, a subsidiary of the Coal Valley Partnership, in which the Corporation has a 50% interest, established a new non-revolving term credit facility with a Canadian financial institution to finance the purchase of certain equipment and to provide working capital in relation to the start-up of the Obed mine. The facility consists of two loans totaling $38.0 million (100% basis) and is subject to fixed interest rates. The loans are subject to equal blended monthly payments after a six-month interest-only period following the first advance. The loans are subject to the following financial covenants based on the financial condition of CVRI: debt to tangible net worth ratio not greater than 2.5:1; current ratio of not less than 1:1; and cash flow coverage ratio not less than 1.25:1. Sherritt and its partner have each provided a $12.5 million limited guarantee in relation to these loans. At September 30, 2009, $38.0 million (100% basis) principal is outstanding under this facility at an average interest rate of 6.08% per annum. At September 30, 2009, CVRI was not in compliance with a financial covenant related to this facility. CVRI has, however, obtained a waiver of this covenant (note 21).

Master Asset Vehicle (MAV) note loans

In August 2009, the Corporation replaced its $40.0 million 364-day liquidity line of credit, which provides liquidity in place of its current MAV notes, with two new facilities (the "MAV Eligible Notes loan" related to Class 1 Restructured notes and the "MAV Ineligible Notes loan" related to the Class 2 Restructured notes):

The MAV Eligible Notes loan provides a principal amount of $32.1 million which consists of Tranche A in the amount of $13.9 million and Tranche B in the amount of $18.2 million. Under the terms of this facility, the Corporation may borrow up to 100% of the face value of its Class 1 Restructured notes. In the event that any of the Class 1 Restructured notes held by the Corporation are sold with the prior consent of the lender or if principal amounts of the notes are repaid, the principal amount of the facility will be reduced accordingly and may require repayment of the principal balance outstanding under the facility. Advances bear interest at the Canadian Prime Rate less 1% or at Bankers Acceptances plus 0.65%. This facility is renewable in February 2011 and the Corporation may request extensions of the term of the loan for an additional 18 month term and, thereafter, for up to four successive one-year periods all such renewals being subject to the bank's consent. This facility is subject to the same financial covenants as the Syndicated 364-day revolving term credit facility (see description in Short-term debt above). Subject to certain conditions being fulfilled by the Corporation, the amounts outstanding under Tranche A are limited-recourse to the eligible notes, and the Corporation may, subject to the same conditions, following the third anniversary of the loan, transfer the Class 1 Restructured notes to the lender as repayment of the principal amount outstanding under Tranche A at that time.

The MAV Ineligible Notes loan provides a principal amount of $1.3 million representing 75% of the face value of the ineligible notes less any principal repayments. All of the conditions and covenants of this facility are similar to the MAV Eligible Notes loan above except that the Corporation may transfer the Class 2 Restructured notes to the lender as repayment of the principal amount outstanding following the second anniversary of the loan and recourse to the Corporation is limited to the amount of the Class 2 Restructured notes.

At September 30, 2009 there were no amounts owing on the MAV note loans.

10. Asset-retirement obligations

$ millions	For the nine months ended 2009 September 30	For the year ended 2008 December 31
Balance, beginning of period	**$ 148.2**	$ 74.6
Acquisition of Royal Utilities Income Fund	**-**	53.4
Additions to liabilities	**27.0**	14.1
Liabilities settled	**(10.6)**	(10.1)
Accretion expense	**6.8**	7.1
Change in foreign-exchange rates	**(6.8)**	9.1
Balance, end of period	**164.6**	148.2
Current portion	**(24.0)**	(24.0)
	$ 140.6	$ 124.2

11. Non-controlling interests

$ millions	For the nine months ended 2009 September 30	For the year ended 2008 December 31
Ambatovy Joint Venture		
Balance, beginning of period	**$ 1,464.0**	$ 1,016.5
Share of net earnings	**2.8**	0.5
Increase in net assets	**486.9**	447.0
	1,953.7	1,464.0
Energas S.A.		
Balance, beginning of period	**$ 204.4**	$ 185.8
Share of net earnings	**13.7**	25.6
Dividends to non-controlling interests	**(14.6)**	(10.3)
Change in accounting policy	**-**	3.3
	203.5	204.4
Total balance, end of period	**$ 2,157.2**	$ 1,668.4

12. Capital stock

The Corporation's authorized share capital consists of an unlimited number of common shares. The changes in the Corporation's outstanding common shares were as follows:

	Number		Stated Capital	
$ millions, except share amounts	**For the nine months ended 2009 September 30**	For the year ended 2008 December 31	**For the nine months ended 2009 September 30**	For the year ended 2008 December 31
Balance, beginning of period	**293,051,276**	231,809,308	**$ 2,758.3**	$ 1,857.2
Shares issued:				
Share issuance	-	26,250,000	-	383.0
Overallotment on share issuance	-	2,276,951	-	33.3
Future tax recovery on share issue costs	-	-	-	4.2
Acquisition of Royal Utilities	-	31,438,705	-	465.0
Share purchase plan	**95,580**	79,700	**0.5**	0.9
Cross-guarantee	-	943,277	-	13.9
Stock options exercised	-	253,335	-	0.8
Balance, end of period	**293,146,856**	293,051,276	**$ 2,758.8**	$ 2,758.3

The following table presents the calculation of basic and diluted earnings per common share:

	For the three months ended		For the nine months ended	
$ millions, except per share amounts	**2009 September 30**	2008 September 30	**2009 September 30**	2008 September 30
Net earnings - basic and diluted	**$ 55.9**	$ 133.1	**$ 37.4**	$ 302.4
Weighted-average number of common shares - basic	**293.1**	291.9	**293.1**	268.8
Weighted-average effect of dilutive securities: (1)				
Stock options	**0.3**	0.1	**0.1**	0.6
Cross-guarantee	**2.8**	3.8	**2.8**	3.8
Weighted-average number of common shares - diluted	**296.2**	295.8	**296.0**	273.2
Net earnings per common share (1)				
Basic	**$ 0.19**	$ 0.45	**$ 0.13**	$ 1.12
Diluted	**$ 0.19**	$ 0.45	**$ 0.13**	$ 1.11

(1) The determination of Weighted-average number of common shares-diluted excludes 4.4 million (September 30, 2008 –2.1 million) shares related to stock options that were anti-dilutive.

13. Contributed surplus

$ millions	**For the nine months ended 2009 September 30**	For the year ended 2008 December 31
Balance, beginning of period	**$ 232.0**	$ 190.3
Cross-guarantee	-	55.6
Issuance of common shares to cross-guarantors	-	(13.9)
Balance, end of period	**$ 232.0**	$ 232.0

14. Stock-based compensation

The following is a summary of stock option activity:

For the three months ended September 30		2009		2008
		Weighted-average		Weighted-average
	Options	**exercise price**	Options	exercise price
Outstanding at beginning of period	**4,743,335**	**$ 10.81**	3,975,001	$ 12.12
Granted	**-**	**-**	265,000	8.87
Exercised for cash	**-**	**-**	(16,666)	9.78
Exercised for shares	**-**	**-**	(150,000)	3.05
Forfeited	**(50,000)**	**14.97**	-	-
Outstanding at end of period	**4,693,335**	**10.76**	4,073,335	12.25
Options exercisable, end of period	**2,161,000**	**$ 12.05**	1,277,334	$ 10.99

For the nine months ended September 30		2009		2008
		Weighted-average		Weighted-average
	Options	**exercise price**	Options	exercise price
Outstanding at beginning of period	**3,978,335**	**$ 12.30**	3,255,000	$ 11.30
Granted	**930,000**	**5.16**	1,075,000	13.50
Exercised for cash	**-**	**-**	(64,998)	10.05
Exercised for shares	**-**	**-**	(178,335)	3.39
Forfeited	**(215,000)**	**14.88**	(13,332)	10.34
Outstanding at end of period	**4,693,335**	**10.76**	4,073,335	12.25
Options exercisable, end of period	**2,161,000**	**$ 12.05**	1,277,334	$ 10.99

At September 30, 2009, 4,673,335 (September 30, 2008 – 3,978,335) options with a share appreciation right (SAR) attachment and 20,000 (September 30, 2008 – 95,000) options remained outstanding. The compensation expense for the three and nine months ended September 30, 2009 was $0.5 million ($7.9 million and $3.8 million compensation expense recovery for the three and nine months ended September 30, 2008, respectively).

The Corporation also recorded a compensation expense for the three and nine months ended September 30, 2009 of $2.4 million and $4.5 million, respectively ($7.2 million and $3.6 million compensation expense recovery for the three and nine months ended September 30, 2008, respectively) for other stock-based compensation plans.

For the three months ended September 30		2009		2008
	SAR	**RSU/DSU**	SAR	RSU/DSU
Balance, beginning of period	**274,125**	**909,006**	448,125	898,733
Issued	**-**	**669,192**	-	164,712
Exercised	**-**	**-**	(166,750)	-
Forfeited	**-**	**(15,631)**	-	(34,826)
Outstanding at end of period	**274,125**	**1,562,567**	281,375	1,028,619
Units exercisable, end of period	**274,125**	**222,194**	281,375	163,665
Weighted-average exercise price	**$ 3.85**	**Not Applicable**	$ 3.80	Not Applicable

For the nine months ended September 30		2009		2008
	SAR	**RSU/DSU**	SAR	RSU/DSU
Balance, beginning of period	**274,125**	**991,567**	549,625	636,052
Issued	**-**	**753,497**	-	467,189
Exercised	**-**	**(133,141)**	(268,250)	-
Forfeited	**-**	**(49,356)**	-	(74,622)
Outstanding at end of period	**274,125**	**1,562,567**	281,375	1,028,619
Units exercisable, end of period	**274,125**	**222,194**	281,375	163,665
Weighted-average exercise price	**$ 3.85**	**Not Applicable**	$ 3.80	Not Applicable

In June, 2009, the Corporation's Board of Directors approved a Restricted Stock Plan, intended for senior executives, under which the Compensation and Pension Committee of the Board may grant restricted shares to employees of the Corporation. Under the terms of the Plan, shares that are issued vest on the third anniversary of the grant date, subject to, among other things, the participant not having resigned from employment at Sherritt, at which time the employee will have full ownership of such shares.

15. Accumulated other comprehensive (loss) income

$ millions	**For the nine months ended 2009 September 30**	For the year ended 2008 December 31
Balance, beginning of period	**$ 231.0**	$ (231.0)
Unrealized foreign currency (loss) gain on self-sustaining foreign operations	**(268.9)**	462.0
Balance, end of period	**$ (37.9)**	$ 231.0

16. Net financing expense

	For the three months ended		For the nine months ended	
$ millions	**2009 September 30**	2008 September 30	**2009 September 30**	2008 September 30
Interest income on cash, cash equivalents, investments and loans receivable	**$ (6.7)**	$ (6.6)	**$ (34.0)**	$ (19.9)
Interest and accretion expense on debt	**16.8**	18.4	**58.6**	44.3
Foreign-exchange gain	**(10.3)**	(19.3)	**(7.4)**	(18.3)
Other	**0.9**	9.6	**(2.2)**	8.6
	$ 0.7	$ 2.1	**$ 15.0**	$ 14.7

During the three and nine months ended September 30, 2009, the Corporation recognized a foreign-exchange gain of $10.3 million and $7.4 million, respectively (a gain of $19.3 million and $18.3 million for the three and nine months ended September 30, 2008, respectively) mainly from revaluing U.S. dollar-denominated advances and loans.

During the nine months ended September 30, 2009, the Corporation received interest of $2.9 million on asset-backed commercial paper it held prior to receiving the MAV notes on January 21, 2009 and $0.1 million on the MAV notes since January 21, 2009.

17. Post-retirement benefits

The Corporation's pension expense for the three and nine months ended September 30, 2009, was $1.9 million and $12.4 million, respectively ($1.4 million and $5.8 million for the three and nine months ended September 30, 2008, respectively). The pension expense related to Royal Utilities Income Fund (Royal Utilities) was included from May 2, 2008.

18. Income taxes

	For the three months ended		For the nine months ended	
	2009	2008	**2009**	2008
$ millions	**September 30**	September 30	**September 30**	September 30
Current	**$ 11.0**	$ 17.2	**$ 22.3**	$ 95.9
Future	**(2.2)**	(17.6)	**(22.6)**	(20.1)
	$ 8.8	$ (0.4)	**$ (0.3)**	$ 75.8

19. Related-party transactions

The Corporation and its subsidiaries provide goods, labour, advisory and other administrative services to the Corporation's joint ventures and affiliates at exchange amounts (cost, commercial rates and other various contractual terms). The Corporation and its subsidiaries also market, pursuant to sales agreements, a portion of the nickel, cobalt, and by-products produced by certain jointly-owned entities in the Metals business.

	For the three months ended		For the nine months ended	
	2009	2008	**2009**	2008
$ millions	**September 30**	September 30	**September 30**	September 30
Total value of goods and services:				
Provided to joint ventures and affiliates	**$ 26.7**	$ 38.9	**$ 83.9**	$ 102.8
Purchased from joint ventures and affiliates	**$ 6.0**	$ 19.4	**$ 34.3**	$ 82.1

	2009	2008
$ millions, as at	**September 30**	December 31
Accounts receivable from joint ventures	**$ 8.4**	$ 9.3
Accounts payable to joint ventures	**1.1**	3.3
Advances and loans receivable from certain Moa Joint Venture entities	**248.2**	287.3
Advances and loans payable to the Moa Joint Venture entities	**132.1**	137.9

20. Financial instruments and financial risk management

Cash, cash equivalents and short-term investments

The Corporation's cash balances are deposited with major Canadian financial institutions rated A- or higher by Standard and Poor's and with banks in Cuba that are not rated. The total cash held in Cuban bank deposit accounts was $35.2 million at September 30, 2009 (December 31, 2008 – $37.1 million).

At September 30, 2009, $646.9 million of cash on the Corporation's balance sheet was held by the Ambatovy Joint Venture and $47.3 million was held by the Moa Joint Venture (December 31, 2008 – $65.7 million and $54.1 million, respectively). These funds are for the use of each joint venture, respectively.

At September 30, 2009, the Corporation had $548.7 million in Government of Canada treasury bills (December 31, 2008 - $410.3 million) included in cash and cash equivalents and short-term investments.

Accounts receivable and allowance for credit losses

The Corporation's accounts receivable are comprised of the following:

$ millions, as at	**2009 September 30**	2008 December 31
Trade receivables	**$ 278.5**	$ 398.2
Allowances for doubtful accounts	**(2.2)**	(2.2)
Other	**55.6**	55.0
	$ 331.9	$ 451.0
Long-term receivables	**$ 16.8**	$ 162.2

Of which:

$ million, as at	**2009 September 30**	2008 December 31
Not past due	**$ 299.7**	$ 268.5
Past due no more than 30 days	**25.5**	83.2
Past due for more than 30 days but no more than 60 days	**13.3**	24.5
Past due for more than 60 days	**10.2**	237.0
	$ 348.7	$ 613.2

Accounts receivable that are past due primarily relate to the Corporation's Oil and Gas and Power operations in Cuba.

Pursuant to the Peberco agreement described in note 6, the Corporation recognized an impairment of $65.5 million of Block 7 receivables at December 31, 2008, representing the difference between the carrying value of Block 7 receivables and Sherritt's share of proceeds received subsequent to year end as this transaction confirmed conditions that existed prior to December 31, 2008.

As described in note 7, the Corporation entered into a payment agreement with respect to overdue Oil and Gas and Power receivables in Cuba. The $154.3 million in Oil and Gas receivables and $42.9 million in Power receivables overdue at December 31, 2008 were paid on February 20, 2009 (US$161.1 million). Subsequently, as required by the payment agreement, Sherritt purchased two Cuban CDs in the amounts of US$124.4 million and US$34.7 million upon which principal and interest are required to be paid weekly over five years. The CDs have been included in long-term investments with the amount due within one year classified as current.

In respect of Oil and Gas and Power receivables due in 2009, the Corporation received $204.7 million to September 30, 2009 and $13.8 million subsequent to that date. At September 30, 2009, $26.1 million of Oil and Gas and $10.4 million of Power receivables were overdue. The amounts outstanding are guaranteed by the National Bank of Cuba.

The Corporation and certain Cuban government agencies continue to negotiate an agreement with respect to Oil and Gas and Power receivables.

Fair values

At September 30, 2009, the carrying value for the Cuban CDs is approximately equal to the fair value (note 7).

At September 30, 2009, the carrying value of the lenders' conversion option is approximately equal to the fair value (note 9).

The Corporation recognized an upward fair-value adjustment of $2.1 million on its MAV notes for the nine months ended September 30, 2009 comprised of a gain on sale resulting from the exchange of the asset-backed commercial paper investments for MAV notes on January 21, 2009 of $1.1 million and an increase in fair-value adjustment to September 30, 2009 of $1.0 million due to a decrease in credit spreads. In addition, to September 30, 2009 the Corporation recognized gains of $0.6 million on principal redemptions of MAV notes having a total carrying value of $0.5 million.

Financial instruments with carrying values different from their fair values include the following:

$ millions, as at	**2009 September 30 Carrying Value**	**2009 September 30 Fair Value**	2008 December 31 Carrying Value	2008 December 31 Fair Value
7.875% senior unsecured debentures due 2012	**$ 267.4**	**$ 277.9**	$ 266.0	$ 208.1
8.25% senior unsecured debentures due 2014	**221.7**	**230.0**	221.3	162.7
7.75% senior unsecured debentures due 2015	**271.9**	**276.3**	271.6	193.5
Short-term investments	**473.7**	**473.7**	106.5	106.7

Credit risk

The Corporation has credit risk exposure related to its share of cash, accounts receivable and advances and loans associated with its businesses located in Cuba or businesses which have Cuban joint venture partners as follows:

$ millions, as at	**2009 September 30**	2008 December 31
Cash	**$ 51.5**	$ 30.3
Accounts receivable, net	**167.6**	432.8
Advances and loans receivable	**744.6**	802.8
Cuban certificates of deposit	**121.2**	-
	$ 1,084.9	$ 1,265.9

The table above reflects the Corporation's maximum credit exposure to Cuban counterparties; however, certain loan balances are eliminated in the consolidated results in accordance with accounting principles for subsidiaries and joint ventures.

Contractual commitments and obligations

The Corporation's significant contractual commitments and obligations and the principal repayments thereon are presented in the following table:

$ millions, as at	Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 and thereafter
Capital commitments	$ 711.0	$ 710.7	$ 0.1	$ 0.2	$ -	$ -	$ -
Long-term debt	3,315.1	52.0	12.7	201.5	402.6	152.4	2,493.9
Capital leases and other equipment financing	116.9	39.4	28.7	24.1	17.7	7.0	-
Operating leases	64.1	15.7	12.1	9.6	7.8	5.2	13.7
Pension obligations	73.3	7.0	7.1	7.2	7.2	7.0	37.8
Asset-retirement obligations	321.8	24.3	22.7	20.6	22.7	16.3	215.2
Total	$ 4,602.2	$ 849.1	$ 83.4	$ 263.2	$ 458.0	$ 187.9	$ 2,760.6

Significant commitments include:

- $684.7 million related to capital for the Ambatovy Joint Venture (December 31, 2008 - $1,300 million)
- $207.3 million for purchasing and leasing equipment, office space, vehicles, and services (December 31, 2008 - $280.1 million)

Foreign Exchange Sensitivity

Based on financial instrument balances as at September 30, 2009, a strengthening or weakening of $0.05 of the Canadian dollar to the U.S. dollar with all other variables held constant, could have a favourable or unfavourable impact of approximately $6.2 million, respectively, on net earnings. This amount excludes the foreign exchange risk arising from the translation of our self-sustaining foreign subsidiaries to Canadian dollars impacting other comprehensive income, as this is limited to our net investment in these operations, which is not considered a financial instrument.

Interest Rate Sensitivity

Based on the short-term and long-term debt at September 30, 2009, excluding interest capitalized to project costs, a 1% increase or decrease in the market interest rate could increase or decrease the Corporation's annual interest expense by approximately $1.9 million, respectively.

21. Capital disclosures

During the quarter ended September 30, 2009, the Corporation amended and/or replaced certain of its short-term loan facilities. During the quarter ended June 30, 2009, the Corporation renewed its short-term loan facilities and established or amended loans from its Ambatovy Joint Venture partners. Further details are provided in note 9.

Certain of the Corporation's credit facilities, loans, and debentures have financial tests and other covenants with which the Corporation and its affiliates must comply. Non-compliance with such covenants could result in accelerated repayment of the related debt or credit facilities and reclassification of the amounts to current. The Corporation monitors its covenants on an ongoing basis and reports on its compliance with the covenants to its lenders on a quarterly basis.

At September 30, 2009, CVRI was not in compliance with a financial covenant applicable to the 3-year non-revolving term facility that requires CVRI maintain a current ratio of not less than 1:1. The facility provides total liquidity of $19.0 million (50% basis). The financial institution granted a waiver of this covenant for the quarter ended September 30, 2009.

CVRI has reclassified the $19.0 million loan (50% basis) to current liabilities as there is uncertainty that CVRI will be in compliance with the working capital covenant for the next twelve months. This potential reduction in liquidity is not expected to preclude the Corporation from satisfying its current and long-term obligations as they come due.

Other than as described above, the Corporation and its affiliates were in compliance with their financial covenants as at September 30, 2009, and the Corporation expects to remain in compliance with all of its other financial covenants during the next twelve months, based on current market conditions. Other than the covenants required for the debt facilities, the Corporation is not subject to any externally imposed capital restrictions.

22. Segmented information

Reference should be made to Sherritt's annual audited consolidated financial statements for the year ended December 31, 2008 for a full description of operating segments.

Business Segments

For the three months ended 2009 September 30

$ millions	Metals	Coal [1]	Oil and Gas	Power	Corporate and Other	Consolidated
Revenue	$ 114.3	$ 181.2	$ 59.9	$ 30.6	$ 3.6	$ 389.6
Operating, selling, general and administrative expenses [2]	73.4	161.2	17.1	8.6	13.3	273.6
Earnings (loss) before undernoted items	40.9	20.0	42.8	22.0	(9.7)	116.0
Depletion, amortization and accretion [2]	(3.3)	(10.9)	(22.5)	(7.8)	(1.3)	(45.8)
Net financing expense	-					(0.7)
Income taxes						(8.8)
Non-controlling interests						(4.8)
Net earnings						55.9
Capital expenditures	338.2	24.5	22.1	4.1	8.1	397.0
Goodwill and intangible assets	3.5	756.6	-	18.1	7.0	785.2
Total Assets [3]	$ 6,309.5	$ 1,853.3	$ 727.0	$ 613.3	$ 668.4	$ 10,171.5

For the three months ended 2008 September 30[3]

$ millions	Metals	Coal [1]	Oil and Gas	Power	Corporate and Other	Consolidated
Revenue	$ 137.5	$ 189.9	$ 112.9	$ 30.9	$ 7.1	$ 478.3
Operating, selling, general and administrative expenses [2]	102.9	146.3	16.7	7.2	8.2	281.3
Earnings (loss) before undernoted items	34.6	43.6	96.2	23.7	(1.1)	197.0
Depletion, amortization and accretion [2]	(2.3)	(18.0)	(24.2)	(7.3)	(1.5)	(53.3)
Net financing expense						(2.1)
Share of earnings of equity-accounted investments	-	-	-	-	0.1	0.1
Income taxes						0.4
Non-controlling interests						(9.0)
Net earnings						133.1
Capital expenditures	432.8	3.0	32.6	4.9	6.4	479.7
Goodwill and intangible assets	401.0	723.2	-	20.0	8.0	1,152.2
Total Assets [3]	$ 5,225.9	$ 1,395.4	$ 935.1	$ 600.5	$ 664.3	$ 8,821.2

(1) The Coal segment includes the Corporation's 50% proportionate interest in Mountain Operations and coal development assets and 100% of the results of Royal Utilities from the date of acquisition, May 2, 2008, onwards. Up to May 2, 2008 the Corporation equity accounted for its interest in the earnings of Royal Utilities.

(2) Operating expenses include depreciation expense in the amount of $4.1 million in Metals and $16.4 million in Coal (September 30, 2008 - $4.5 million in Metals and $12.6 million in Coal).

(3) Amounts for the three months ended September 30, 2008 have been amended to include the results of the Mineral Products division which had previously been accounted for as a discontinued operation.

$ millions	Metals	Coal (1)	Oil and Gas	Power	Corporate and Other	Consolidated
For the nine months ended 2009 September 30						
Revenue	**$ 305.1**	**$ 535.8**	**$ 156.7**	**$ 89.6**	**$ 10.5**	**$ 1,097.7**
Operating, selling, general and administrative expenses (2)	**250.0**	**443.7**	**53.1**	**28.2**	**39.5**	**814.5**
Earnings (loss) before undernoted items	**55.1**	**92.1**	**103.6**	**61.4**	**(29.0)**	**283.2**
Depletion, amortization and accretion (2)	**(6.3)**	**(30.3)**	**(70.0)**	**(23.1)**	**(3.9)**	**(133.6)**
Loss on disposal of property, plant and equipment			**(79.5)**			**(79.5)**
Net financing expense						**(15.0)**
Other items					**(1.5)**	**(1.5)**
Income taxes						**0.3**
Non-controlling interests						**(16.5)**
Net earnings						**37.4**
Capital expenditures	**1,054.7**	**70.8**	**44.5**	**23.1**	**9.0**	**1,202.1**
Goodwill and intangible assets	**3.5**	**756.6**	**-**	**18.1**	**7.0**	**785.2**
Total Assets (3)	**$ 6,309.5**	**$ 1,853.3**	**$ 727.0**	**$ 613.3**	**$ 668.4**	**$ 10,171.5**

$ millions	Metals	Coal (1)	Oil and Gas	Power	Corporate and Other	Consolidated
For the nine months ended 2008 September 30(3)						
Revenue	$ 477.5	$ 345.3	$ 304.9	$ 91.0	$ 17.5	$ 1,236.2
Operating, selling, general and administrative expenses (2)	288.9	285.5	54.2	20.6	42.2	691.4
Earnings (loss) before undernoted items	188.6	59.8	250.7	70.4	(24.7)	544.8
Depletion, amortization and accretion (2)	(6.5)	(29.8)	(77.1)	(22.0)	(4.1)	(139.5)
Net financing expense						(14.7)
Share of earnings of equity-accounted investments	-	8.3	-	-	1.2	9.5
Income taxes						(75.8)
Non-controlling interests						(21.9)
Net earnings						302.4
Capital expenditures	1,432.3	10.5	87.7	16.2	14.5	1,561.2
Goodwill and intangible assets	401.0	723.2	-	20.0	8.0	1,152.2
Total Assets (3)	$ 5,225.9	$ 1,395.4	$ 935.1	$ 600.5	$ 664.3	$ 8,821.2

(1) The Coal segment includes the Corporation's 50% proportionate interest in Mountain Operations and coal development assets and 100% of the results of Royal Utilities from the date of acquisition, May 2, 2008, onwards. Up to May 2, 2008 the Corporation equity accounted for its interest in the earnings of Royal Utilities.

(2) Operating expenses include depreciation expense in the amount of $15.0 million in Metals and $46.2 million in Coal (September 30, 2008 - $11.0 million in Metals and $23.7 million in Coal).

(3) Amounts for the nine months ended September 30, 2009 and September 30, 2008 have been amended to include the results of the Mineral Products division which had previously been accounted for as a discontinued operation.

Geographic Segments

$ millions	For the three months ended 2009 September 30			For the three months ended 2008 September 30 (3)		
	Goodwill and Intangible Assets	**Revenue**	**Property, Plant, and Equipment**	Goodwill and Intangible Assets	Revenue	Property, Plant, and Equipment
Canada	**$ 763.6**	**$ 149.2**	**$ 1,065.2**	$ 731.2	$ 175.3	$ 1,042.2
Cuba	**18.1**	**88.2**	**1,009.9**	20.0	139.1	1,139.3
Madagascar	**3.5**	**-**	**4,842.8**	401.0	-	3,386.1
Europe	**-**	**37.4**	**7.4**	-	91.7	4.5
Asia	**-**	**95.3**	**10.7**	-	59.2	6.7
Other foreign countries	**-**	**19.5**	**-**	-	13.0	0.1
	$ 785.2	**$ 389.6**	**$ 6,936.0**	$ 1,152.2	$ 478.3	$ 5,578.9

$ millions	For the nine months ended 2009 September 30			For the nine months ended 2008 September 30 (3)		
	Goodwill and Intangible Assets	**Revenue**	**Property, Plant, and Equipment**	Goodwill and Intangible Assets	Revenue	Property, Plant, and Equipment
Canada	**$ 763.6**	**$ 466.4**	**$ 1,065.2**	$ 731.2	$ 325.7	$ 1,042.2
Cuba	**18.1**	**240.6**	**1,009.9**	20.0	381.3	1,139.3
Madagascar	**3.5**	**-**	**4,842.8**	401.0	-	3,386.1
Europe	**-**	**102.1**	**7.4**	-	238.9	4.5
Asia	**-**	**240.7**	**10.7**	-	251.6	6.7
Other foreign countries	**-**	**47.9**	**-**	-	38.7	0.1
	$ 785.2	**$ 1,097.7**	**$ 6,936.0**	$ 1,152.2	$ 1,236.2	$ 5,578.9

23. Comparative figures

Certain comparative figures have been reclassified to conform to the presentation in the current period.