



PRESS RELEASE

RELEASE DATE: August 4, 2015

5N PLUS REPORTS FINANCIAL RESULTS FOR THE SECOND QUARTER ENDED JUNE 30, 2015

Montreal, Québec, August 4, 2015 – 5N Plus Inc. (TSX:VNP), the leading producer of specialty metal and chemical products, today reported financial results for the second quarter ended June 30, 2015.

- Revenues for the second quarter and six-month period ended June 30, reached \$87.3 million and \$182.9 million down from \$136.6 million and \$279.0 million for the corresponding periods of the previous fiscal year, negatively impacted by underlying commodity pricing trends.
- Adjusted EBITDA¹ for the second quarter and the six-month period ended June 30, 2015 reached \$2.0 million and \$2.2 million down from \$10.8 million and \$21.3 million for the corresponding period of the previous fiscal year, also negatively impacted by underlying commodity pricing trends.
- Net loss for the second quarter and the six-month period ended June 30, 2015 reached \$20.5 million and \$22.4 million compared to net earnings of \$4.4 million and \$9.0 million for the corresponding period of the previous fiscal year. The loss for the second quarter of 2015 is negatively impacted by an accelerated amortization of \$11.8 million of selected intangible assets and an inventory impairment charge of \$6.5 million associated with selenium and bismuth.
- Net debt¹ decreased by \$16.5M in the quarter and stood at \$58.4 million as at June 30, 2015, down from \$84.0 million as at December 31, 2014, positively impacted by working capital management.
- Backlog¹ as at June 30, 2015 stood at 137 days of sales outstanding up by 15 days and 37 days when compared to the backlog level on December 31, 2014 and June 30, 2014.

Jacques L'Ecuyer, President and Chief Executive Officer, said "Demand for most of our products remained strong during the second quarter with shipments, backlog and booking levels in line with expectations. Adjusted EBITDA figures improved somewhat over the first quarter figures driven by initiatives aimed at reducing costs and inventory levels leading to another sizeable reduction of \$16.5M in net debt levels during the quarter which now stands at \$58.4M. We plan on continuing to reduce debt."

Mr. L'Ecuyer continued, "The overall financial performance of the company remains very disappointing however as relentless erosion in underlying commodity prices, which have now fallen by more than 40% since the beginning of the year, continues to weigh on our results. We expect this situation to change significantly as soon as prices find a floor leading to a marked improvement in our financial results. We also believe that the intensification of our efforts aimed at improving operational performance and reaching functional excellence, which have already started to pay off as shown by the significant cost reductions realized this year and which will be accelerated following the most recent review and diagnostic exercise carried out with the support of a renowned consulting firm, will further support these improvements."

¹ See Non-IFRS Measures

Mr. L'Ecuyer concluded, "We continue to make progress in our added-value and supply integration strategy with important technical milestones having been achieved in both our Montreal-based metal powder activities and in our Laos-based primary refining activities. Together with our efforts aimed at achieving functional excellence, this should enable us to better isolate our future financial performance from underlying commodity pricing trends and thus reduce volatility and improve shareholder value. We therefore remain very optimistic on our ability to deliver long term shareholder value even though we expect the coming quarters to remain very challenging given the sizeable headwinds in underlying commodity pricing trends."

Webcast Information

5N Plus will host a conference call on Wednesday, August 5, 2015 at 8:00 am ET with financial analysts to discuss results of the quarter ended June 30, 2015. All interested parties are invited to participate in the live broadcast on the Company's Web site at www.5nplus.com. A replay of the webcast and a recording of the Q&A will be available until August 12, 2015.

To participate in the conference call:

- Montreal area: 514-807-9895
- Toronto area: 647-427-7450
- Toll-Free : 1-888-231-8191

Enter access code 96647572.

Non-IFRS Measures

Adjusted EBITDA means EBITDA as defined above before impairment of inventories, litigation and restructuring costs, gain on disposal of property, plant and equipment, change in fair value of debenture conversion option, foreign exchange and derivatives loss (gain). We use adjusted EBITDA because we believe it is a meaningful measure of the operating performance of our ongoing business without the effects of inventory write-downs. The definition of this non-IFRS measure used by the Company may differ from that used by other companies.

Net debt or net cash is a measure we use to monitor how much debt we have after taking into account cash and cash equivalents and restricted cash. We use it as an indicator of our overall financial position, and calculate it by taking our total debt, including the current portion, and subtracting cash and cash equivalents and restricted cash.

Backlog represents the expected orders we have received but have not yet executed and that are expected to translate into sales within the next twelve months expressed in number of days. Bookings represent orders received during the period considered, expressed in days, and is calculated by adding revenues to the increase or decrease in backlog for the period considered divided by annualized year revenues. We use backlog to provide an indication of expected future revenues in days, and bookings to determine our ability to sustain and increase our revenues.

About 5N Plus Inc.

5N Plus is the leading producer of specialty metal and chemical products. Fully integrated with closed-loop recycling facilities, the Company is headquartered in Montreal, Québec, Canada and operates manufacturing facilities and sales offices in several locations in Europe, the Americas and Asia. 5N Plus deploys a range of proprietary and proven technologies to produce products which are used in a number of advanced pharmaceutical, electronic and industrial applications. Typical products include purified metals such as bismuth, gallium, germanium, indium, selenium and tellurium, inorganic chemicals based on such metals and compound semiconductor wafers. Many of these are critical precursors and key enablers in markets such as solar, light-emitting diodes and eco-friendly materials.

Forward-Looking Statements and Disclaimer

This press release may contain forward-looking information within the meaning of applicable securities laws. All information and statements other than statements of historical facts contained in this press release are forward-looking information. Such statements and information may be identified by words such as “about”, “approximately”, “may”, “believes”, “expects”, “will”, “intends”, “should”, “plans”, “predicts”, “potential”, “projects”, “anticipates”, “estimates”, “continues” or similar words or the negative thereof or other comparable terminology. Forward-looking statements are based on the best estimates available to 5N Plus at this time and involve known and unknown risks, uncertainties and other factors that may cause 5N Plus’ actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. A description of the risks affecting 5N Plus’ business and activities appears under the heading “Risk and Uncertainties” of 5N Plus’ 2014 MD&A dated February 24, 2015 and notes 11 and 12 of the unaudited condensed interim consolidated financial statements for the three and six-month periods ended June 30, 2015 and 2014, available on SEDAR at www.sedar.com. No assurance can be given that any events anticipated by the forward-looking information in this press release will transpire or occur, or if any of them do so, what benefits that 5N Plus will derive therefrom. In particular, no assurance can be given as to the future financial performance of 5N Plus. The forward-looking information contained in this press release is made as of the date hereof and 5N Plus undertakes no obligation to publicly update such forward-looking information to reflect new information, subsequent or otherwise, unless required by applicable securities laws. The reader is warned against placing undue reliance on these forward-looking statements.

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5N PLUS INC.
Condensed Interim Consolidated Statements of Financial Position

(unaudited)

(Figures in thousands of United States dollars)

	June 30, 2015	December 31, 2014
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	16,519	12,777
Restricted cash	-	2,115
Accounts receivable	52,317	72,391
Inventories	160,947	204,454
Income tax receivable	4,437	2,705
Derivative financial assets	-	147
Other current assets	2,660	2,965
Total current assets	236,880	297,554
Property, plant and equipment	71,178	68,261
Intangible assets	5,354	15,728
Deferred tax asset	11,796	11,037
Investment accounted for using the equity method	295	316
Other assets	5,680	6,635
Total non-current assets	94,303	101,977
Total assets	331,183	399,531
LIABILITIES AND EQUITY		
Current		
Bank indebtedness	-	975
Trade and accrued liabilities	41,786	60,286
Income tax payable	5,049	6,064
Long-term debt due within one year	589	667
Total current liabilities	47,424	67,992
Long-term debt	30,045	51,156
Convertible debentures	44,266	46,101
Deferred tax liability	1,625	3,111
Retirement benefit obligation	14,606	16,928
Derivative financial liabilities	307	2,093
Other liabilities	18,272	15,711
Total non-current liabilities	109,121	135,100
Total liabilities	156,545	203,092
Shareholders' equity	174,645	196,443
Non-controlling interest	(7)	(4)
Total equity	174,638	196,439
Total liabilities and equity	331,183	399,531

5N PLUS INC.**Condensed Interim Consolidated Statements of (Loss) Earnings**

For the three-month and six-month periods ended June 30, 2015 and 2014

<i>(unaudited)</i> <i>(Figures in thousands of United States dollars, except per share information)</i>	Three months		Six months	
	2015	2014	2015	2014
	\$	\$	\$	\$
Revenues	87,250	136,597	182,913	278,976
Cost of sales	86,624	117,041	176,546	239,784
Selling, general and administrative expenses	6,719	10,041	13,743	19,803
Other expenses	13,132	1,425	14,327	4,179
Share of (gain) loss from joint ventures	(57)	120	21	97
	106,418	128,627	204,637	263,863
Operating (loss) earnings	(19,168)	7,970	(21,724)	15,113
Gain on disposal of property, plant and equipment	-	-	-	1,312
Financial expenses (revenues)				
Interest on long-term debt	1,198	1,322	2,388	2,462
Imputed interest and other financial expense	1,549	409	2,442	685
Changes in fair value of debenture conversion option	(933)	(188)	(1,646)	(188)
Foreign exchange and derivative loss (gain)	2,362	(526)	(61)	(510)
	4,176	1,017	3,123	2,449
(Loss) earnings before income tax	(23,344)	6,953	(24,847)	13,976
Income tax (recovery) expense				
Current	316	2,002	28	4,395
Deferred	(3,196)	515	(2,460)	626
	(2,880)	2,517	(2,432)	5,021
Net (loss) earnings for the period	(20,464)	4,436	(22,415)	8,955
Attributable to:				
Equity holders of 5N Plus Inc.	(20,463)	4,436	(22,412)	9,091
Non-controlling interest	(1)	-	(3)	(136)
	(20,464)	4,436	(22,415)	8,955
(Loss) earnings per share attributable to equity holders of 5N Plus Inc.	(0.24)	0.05	(0.27)	0.11
Basic (loss) earnings per share	(0.24)	0.05	(0.27)	0.11
Diluted (loss) earnings per share	(0.24)	0.05	(0.27)	0.11

5N PLUS INC.

(Figures in thousands of United States dollars)

Cash Flows

	Q2 2015	Q2 2014	% Change	YTD 2015	YTD 2014	% Change
	\$	\$		\$	\$	
Funds (used in) from operations ¹	(1,482)	5,774	(126%)	(3,497)	12,580	(128%)
Net changes in non-cash working capital items	22,877	(16,665)	237%	37,534	(26,218)	243%
Operating activities	21,395	(10,891)	296%	34,037	(13,638)	350%
Investing activities	(3,363)	(4,986)	(33%)	(9,551)	(5,318)	80%
Financing activities	(14,336)	20,594	(170%)	(20,437)	18,158	(213%)
Effect of foreign exchange rate changes on cash and cash equivalents related to operations	243	52	367%	(307)	26	(1,281%)
Net increase (decrease) in cash and cash equivalents	3,939	4,769	(17%)	3,742	(772)	(585%)

Revenues by Segment

	Q2 2015	Q2 2014	% Change	YTD 2015	YTD 2014	% Change
	\$	\$		\$	\$	
Electronic Materials Segment	30,793	44,544	(31%)	60,433	92,685	(35%)
Eco-Friendly Materials Segment	56,457	92,053	(39%)	122,480	186,291	(34%)
Total revenues	87,250	136,597	(36%)	182,913	278,976	(34%)

Adjusted EBITDA

	Q2 2015	Q2 2014	% Change	YTD 2015	YTD 2014	% Change
	\$	\$		\$	\$	
Electronic Materials	4,533	7,157	(37%)	7,792	14,105	(45%)
Eco-Friendly Materials	(701)	6,241	(111%)	(1,342)	12,646	(111%)
Corporate						
Research and Development	(358)	(73)	(390%)	(724)	(379)	(91%)
Other	(1,511)	(2,509)	40%	(3,493)	(5,055)	31%
Adjusted EBITDA¹	1,963	10,816	(82%)	2,233	21,317	(90%)
EBITDA¹	(5,966)	11,524	(152%)	(2,560)	22,702	(111%)

Backlog and Bookings

	BACKLOG ¹			BOOKINGS ¹		
	Q2 2015	Q1 2015	Q2 2014	Q2 2015	Q1 2015	Q2 2014
	\$	\$	\$	\$	\$	\$
Electronic Materials	68,368	81,066	77,278	16,942	27,030	42,460
Eco-Friendly Materials	62,981	67,696	73,085	61,308	64,236	57,170
Total	131,349	148,762	150,363	78,250	91,266	99,630

(number of days based on annualized revenues)	BACKLOG ¹			BOOKINGS ¹		
	Q2 2015	Q1 2015	Q2 2014	Q2 2015	Q1 2015	Q2 2014
Electronic Materials	203	250	158	50	83	87
Eco-Friendly Materials	102	94	72	99	89	57
Weighted average	137	142	100	82	87	67

¹Bookings and backlog are also presented in number of days to normalize the impact of commodity prices.

¹ See Non-IFRS Measures