5N PLUS

PRESS RELEASE

RELEASE DATE: August 7, 2012

5N Plus Inc. Reports Results for the Second Quarter Ended June 30, 2012

Montreal, Québec, August 7, 2012 – 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, 2012. Numbers for the comparable period ended May 31, 2011 have been restated to reflect changes resulting from the implementation of IFRS and the adoption of the US dollar as the Company's functional and reporting currency.

- Impairment charges of $26.1 million were booked at the end of the quarter as the Company adjusted the value of its inventories to reflect significantly reduced net realizable values for certain products following abrupt declines in the prices of corresponding underlying commodities.

- Revenues for the second quarter 2012 increased by 15% to $140.1 million compared to $122.0 million for the quarter ended May 31, 2011. Revenues for the first semester 2012 increased by 112% to $302.3 million compared to $142.6 million for the six-month period ended May 31, 2011.

- Net losses attributable to equity holders of 5N Plus for the second quarter 2012 and the first semester 2012 were $21.9 million or ($0.29) per share and $17.0 million or ($0.23) per share respectively. Excluding impairment charges, adjusted net earnings[1] yielded a loss of $2.1 million or ($0.03) per share for the second quarter 2012 and earnings of $2.8 million or $0.04 per share for the first semester 2012. This compares with net earnings of $8.5 million or $0.14 per share and net earnings of $14.1 million or $0.27 per share for the three and six-month periods ended May 31, 2011 respectively.

- Net debt[1] amounted to $175.8 million at June 30, 2012 compared to $260.6 million at December 31, 2011 and decreased by $56.4 million in the second quarter 2012 and by $84.8 million in the first semester 2012. Total debt amounted to $187.6 million at June 30, 2012 compared to $341.9 million at December 31, 2011 and decreased by $90.5 million in the second quarter 2012 and by $154.3 million in the first semester 2012.

- Negative EBITDA[1] of $20.5 million in the second quarter 2012 and $3.6 million in the first semester 2012 are primarily attributable to impairment charges. Adjusted EBITDA[1] amounted to $5.6 million in the second quarter 2012 and $22.5 million in the first semester 2012. This compares to $20.0 million and $26.0 million in the three and six-month periods ended May 31, 2011 respectively.

- As at June 30, 2012, the backlog[1] of orders expected to translate into sales over the following twelve months stood at $189.0 million compared to $223.2 million as at December 31, 2011 and $215.6 million as at March 31, 2012.

[1] Non-IFRS Measures

- On June 6, 2012, the Company issued 12,903,613 stock units for net proceeds of $37.1 million. This led to an increase in shareholder equity which stood at $358.2 million as at June 30, 2012, up from $344.6 million as at March 31, 2012 and $339.2 million as at December 31, 2011.

Jacques L'Ecuyer, President and Chief Executive Officer, said "We saw relatively strong demand for most of our products during the quarter which enabled us to continue reducing working capital and debt levels through significant cash flow generation. In our Electronic Materials business unit, although sales of gallium and indium products were somewhat softer than in the previous quarter, partly because of the relocation of some of the production activities previously located at our Fairfield offices, sales to our main customers for solar products increased and we also made progress in our germanium-related activities. In our Eco-Friendly Materials business unit, we continued to increase market share with strong sales of bismuth-related products in a market which is continuing to grow, as efforts to replace lead accelerate."

Mr. L'Ecuyer continued, "Unfortunately, these positive developments were overshadowed from an earnings and revenue standpoint by two main factors. On the one hand, the quarter was characterized by sharp decreases in the prices of almost all of our underlying commodities, especially in the back-end of the quarter, which led to decreases in average selling prices and further impairment charges on our inventories at the end of the quarter. On the other hand, we also sold to our main customer in the solar market at lower margins than normal, such sales having been made from previously impaired units in accordance with the terms of our new agreement with the customer. Both factors severely impacted our earning and revenue levels providing a somewhat distorted picture of the Company's overall performance. In this respect, we believe a more appropriate assessment would be that we are holding our ground and doing better than most of our competitors in a challenging environment. We expect earning levels to be more reflective of the Company's actual performance once both the underlying commodity pricing stabilizes and the inventory of impaired units has been used up, especially with respect to our contract with our main customer in the solar market."

Continuing, Mr. L'Ecuyer added, "Our decision to further strengthen our balance sheet through an equity raise of CDN $40 million on June 6, 2012 was largely determined by the relative uncertainty in the global economic environment and the Company's exposure to the solar and European markets. Regardless of its short-term impact, we are confident that this will deliver long-term shareholder value by enabling us to execute more effectively on our strategic growth plan which calls for further deleveraging and redeployment of capital into less volatile and higher value-added opportunities. The current year is thus key in many respects as we gradually transition the entire Company towards this business model and complete the full integration of former MCP activities, realigning the Company towards greater sustainability in our commercial practices and greater efficiencies throughout the group."

Mr. L'Ecuyer concluded, "Current outlook for the rest of the year and corresponding financial performance will be largely determined by underlying commodity pricing and the performance of the European economy. We remain committed to a further reduction in our working capital requirements and a corresponding decrease in our debt levels. Although we may continue to experience short-term volatility in our financial performance, we are confident that our Company remains well positioned to continue growing and to deliver increasing shareholder value. I would like to thank our employees for their efforts in these challenging times and for their commitment towards our plan of delivering a more efficient and sustainable organization, the positioning and skill set of which remains both remarkable and truly unique."

Webcast Information
5N Plus will host a conference call on Wednesday, August 8, 2012 at 8:00 am ET with financial analysts to discuss results of the second quarter ended June 30, 2012. 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 31, 2012.

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 17434059.

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 "Risks and Uncertainties" in Management's Discussion and Analysis for the fiscal year ended December 31, 2011 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.

5N PLUS INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF EARNINGS

For the periods of three and six months ended June 30, 2012 and May 31, 2011

(All figures in thousands of United States dollars, except per share information)

(Unaudited)

	Three months		Six months	
	2012	**2011**	**2012**	**2011**
	$	**$**	**$**	**$**
Revenues	140,076	121,976	302,311	142,639
Cost of sales	150,935	96,975	283,182	109,534
Selling, general and administrative expenses	11,551	6,279	23,563	8,123
Other expenses, net	4,100	9,615	10,621	10,599
Share of loss (gain) from joint ventures	55	(197)	219	(197)
	166,641	112,672	317,585	128,059
Operating income (loss)	(26,565)	9,304	(15,274)	14,580
Financial expenses (income)				
Interest on long-term debt	2,391	662	4,777	827
Other interest expense	27	1,476	638	1,313
Foreign exchange loss (gain) and derivative	630	(5,392)	2,312	(6,492)
	3,048	(3,254)	7,727	(4,352)
Earnings (loss) before income tax	(29,613)	12,558	(23,001)	18,932
Income tax	(7,551)	4,384	(5,830)	5,207
Net earnings (loss) for the period	(22,062)	8,174	(17,171)	13,725
Attributable to:				
Equity holders of 5N Plus Inc.	(21,922)	8,549	(16,950)	14,075
Non-controlling interest	(140)	(375)	(221)	(350)
Net earnings (loss) for the period	(22,062)	8,174	(17,171)	13,725
Earnings (loss) per share attributable to equity holders of 5N Plus Inc.	(0.29)	0.14	(0.23)	0.27
Basic earnings (loss) per share	(0.30)	0.14	(0.24)	0.26
Diluted earnings (loss) per share	(0.30)	0.14	(0.24)	0.26

5N PLUS INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(All figures in thousands of United States dollars)

	As at June 30, 2012	As at December 31, 2011
	$ (unaudited)	$
ASSETS		
Current		
Cash and cash equivalents	11,846	29,449
Temporary investments (restricted)	-	51,882
Accounts receivable	90,478	76,641
Inventories	216,485	315,333
Income tax receivable	14,677	11,022
Other current assets	4,516	2,762
Total current assets	338,002	487,089
Property, plant and equipment	89,957	86,483
Intangible assets	62,287	68,148
Deferred tax asset	13,800	6,646
Goodwill	124,910	124,910
Investments accounted for using the equity method	1,294	1,513
Other assets	11,753	11,495
Total non-current assets	304,001	299,195
Total assets	642,003	786,284
LIABILITIES AND EQUITY		
Current		
Bank indebtedness and short-term debt	12,017	73,430
Trade and accrued liabilities	48,591	59,029
Income tax payable	2,857	354
Derivative financial liabilities	4,570	3,814
Long-term debt due within one year	27,847	14,757
Total current liabilities	95,882	151,384
Long-term debt	147,759	253,719
Deferred tax liability	23,394	23,083
Retirement benefit obligation	11,423	12,315
Derivative financial liabilities	3,314	1,902
Other liabilities	1,790	4,171
Total liabilities	283,562	446,574
Shareholders’ equity	358,193	339,241
Non-controlling interest	248	469
Total equity	358,441	339,710
Total liabilities and equity	642,003	786,284

5N PLUS INC.

Cash Flows

(in thousands of United States dollars)	Q2 2012	Q4 2011	YTD 2012	Q3 and Q4 2011
	$	$	**$**	$
Funds from operations	**(407)**	9,329	**10,829**	16,304
Net changes in non-cash working capital items	**17,063**	(65,243)	**44,034**	(76,132)
Operating activities	**16,656**	(55,914)	**54,863**	(59,828)
Investing activities	**31,910**	(161,965)	**45,197**	(168,374)
Financing activities	**(49,890)**	199,970	**(118,366)**	200,663
Effect of foreign exchange rate changes on cash and cash equivalents related to operations	**1,126**	-	**703**	366
Net decrease in cash and cash equivalents	**(198)**	(17,909)	**(17,603)**	(27,173)

Electronic Materials Business Unit

(in thousands of United States dollars)	Q2 2012	Q4 2011	YTD 2012	Q3 and Q4 2011
	$	$	**$**	$
Revenues	**54,763**	64,227	**128,128**	84,890
Cost of goods & expenses, before amortization	**(61,955)**	(46,820)	**(124,554)**	(60,959)
EBITDA	**(7,192)**	17,407	**3,574**	23,931
Impairment of inventory	**15,558**	-	**15,558**	-
Adjusted EBITDA	**8,366**	17,407	**19,132**	23,931
Bookings	**37,379**	147,982	**94,453**	180,814

Eco-Friendly Material Business Unit

(in thousands of United States dollars)	Q2 2012	Q4 2011	YTD 2012	Q3 and Q4 2011
	$	$	**$**	$
Revenues	**85,313**	57,749	**174,183**	57,749
Cost of goods & expenses, before amortization	**(94,363)**	(52,961)	**(173,166)**	(52,961)
EBITDA	**(9,050)**	4,788	**1,017**	4,788
Impairment of inventory	**10,510**	-	**10,510**	-
Adjusted EBITDA	**1,460**	4,788	**11,527**	4,788
Bookings	**76,090**	164,541	**173,664**	164,541

Contact:

Jacques L'Ecuyer
President and Chief Executive Officer
5N Plus Inc.
(514) 856-0644
jacques.lecuyer@5nplus.com