5N PLUS INC.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE-MONTH PERIODS ENDED
SEPTEMBER 30, 2015 AND 2014

(Figures in thousands of United States dollars)

(unaudited) *(Figures in thousands of United States dollars)*	**Notes**	**September 30 2015**	**December 31 2014**
		$	**$**
ASSETS			
Current			
Cash and cash equivalents		8,025	12,777
Restricted cash		-	2,115
Accounts receivable		44,330	72,391
Inventories	4	121,753	204,454
Income tax receivable		6,095	2,705
Derivative financial assets	11	-	147
Other current assets		1,936	2,965
Total current assets		182,139	297,554
Property, plant and equipment		72,345	68,261
Intangible assets	2	6,336	15,728
Deferred tax asset		9,746	11,037
Investment accounted for using the equity method		331	316
Other assets	7	3,099	6,635
Total non-current assets		91,857	101,977
Total assets		**273,996**	**399,531**
LIABILITIES AND EQUITY			
Current			
Bank indebtedness		-	975
Trade and accrued liabilities		36,862	60,286
Income tax payable		5,857	6,064
Long-term debt due within one year	5	459	667
Total current liabilities		43,178	67,992
Long-term debt	5	13,042	51,156
Convertible debentures	6	41,216	46,101
Deferred tax liability		1,487	3,111
Retirement benefit obligation		14,566	16,928
Derivative financial liabilities	11	89	2,093
Other liabilities		18,590	15,711
Total non-current liabilities		88,990	135,100
Total liabilities		132,168	203,092
Shareholders' equity		141,835	196,443
Non-controlling interest		(7)	(4)
Total equity		141,828	196,439
Total liabilities and equity		**273,996**	**399,531**

Commitments and contingencies (Note 12)

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

5N PLUS INC.

Condensed Interim Consolidated Statements of (Loss) Earnings

For the three and nine-month periods ended September 30, 2015 and 2014

(unaudited) *(Figures in thousands of United States dollars, except per share information)*	**Notes**	**Three months** 2015	**Three months** 2014	**Nine months** 2015	**Nine months** 2014
		$	$	**$**	**$**
Revenues		68,732	114,438	251,645	393,414
Cost of sales	4	88,923	99,085	265,469	338,869
Selling, general and administrative expenses		7,443	8,480	21,186	28,283
Other expenses	2, 7	3,964	1,844	18,291	6,023
Share of (gain) loss from joint ventures		(36)	130	(15)	227
		100,294	109,539	304,931	373,402
Operating (loss) earnings		**(31,562)**	**4,899**	**(53,286)**	**20,012**
Gain on disposal of property, plant and equipment		-	-	-	1,312
Financial (revenues) expenses					
Interest on long-term debt		1,187	1,687	3,575	4,149
Imputed interest and other financial expense		938	1,075	3,380	1,760
Changes in fair value of debenture conversion option	11	(194)	(5,623)	(1,840)	(5,811)
Foreign exchange and derivative (gain) loss		(2,810)	824	(2,871)	314
		(879)	(2,037)	2,244	412
(Loss) earnings before income tax		(30,683)	6,936	(55,530)	20,912
Income tax expense (recovery)					
Current		(417)	2,717	(389)	7,112
Deferred		1,905	48	(555)	674
		1,488	2,765	(944)	7,786
Net (loss) earnings for the period		**(32,171)**	**4,171**	**(54,586)**	**13,126**
Attributable to:					
Equity holders of 5N Plus Inc.		(32,171)	4,172	(54,583)	13,263
Non-controlling interest		-	(1)	(3)	(137)
		(32,171)	4,171	(54,586)	13,126
(Loss) earnings per share attributable to equity holders of 5N Plus Inc.	8	(0.38)	0.05	(0.65)	0.16
Basic (loss) earnings per share	8	(0.38)	0.05	(0.65)	0.16
Diluted (loss) earnings per share	8	(0.38)	(0.01)	(0.65)	0.10

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

5N PLUS INC.

Condensed Interim Consolidated Statements of Comprehensive (Loss) Income

For the three and nine-month periods ended September 30, 2015 and 2014

(unaudited) *(Figures in thousands of United States dollars)*	Three months		Nine months	
	2015	**2014**	**2015**	**2014**
	$	**$**	**$**	**$**
Net (loss) earnings for the period	(32,171)	4,171	(54,586)	13,126
Other comprehensive (loss) income				
Items that may be reclassified subsequently to the condensed interim consolidated statements of (loss) earnings				
Net changes in cash flow hedges				
Effective portion of changes in fair value of cash flow hedges	-	106	-	560
Reclassification to condensed interim consolidated statements of (loss) earnings	(40)	(73)	(262)	(73)
Income taxes	9	(9)	69	(142)
	(31)	24	(193)	345
Currency translation adjustment	(650)	(14)	(562)	(72)
	(681)	10	(755)	273
Items that will not be reclassified subsequently to the condensed interim consolidated statements of (loss) earnings				
Remeasurement of retirement benefit obligation	-	(1,000)	875	(2,100)
Income taxes	-	310	(271)	650
	-	(690)	604	(1,450)
Other comprehensive (loss) income	**(681)**	**(680)**	**(151)**	**(1,177)**
Comprehensive (loss) income for the period	**(32,852)**	**3,491**	**(54,737)**	**11,949**
Attributable to equity holders of 5N Plus Inc.	(32,852)	3,492	(54,734)	12,086
Attributable to non-controlling interest	-	(1)	(3)	(137)

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

(unaudited)

(Figures in thousands of United States dollars)	Notes	2015	2014
		$	$
Operating activities			
Net (loss) earnings for the period		(54,586)	13,126
Adjustments to reconcile net (loss) earnings to cash flows			
Depreciation of property, plant and equipment and amortization of intangible assets	2	19,879	8,602
Amortization of other assets		1,135	554
Amortization of deferred revenues		(596)	(187)
Impairment of inventories	4	33,745	-
Allowance for a doubtful note receivable from a related party	7	2,447	-
Share-based compensation expense		205	258
Deferred income tax		(555)	938
Share of (gain) loss from joint ventures		(15)	227
Gain on disposal of property, plant and equipment		-	(1,312)
Imputed interest		2,151	854
Retirement benefit obligation		(178)	(357)
Change in fair value of debenture conversion option	11	(1,840)	(5,811)
Unrealized loss (gain) on non-hedge financial instrument		198	(2,892)
Unrealized foreign exchange gain on assets and liabilities		(6,107)	(438)
Funds (used in) from operations before the following		(4,117)	13,562
Net change in non-cash working capital balances related to operations	10	51,994	(26,746)
Cash flows from (used in) operating activities		**47,877**	**(13,184)**
Investing activities			
Business acquisitions, net of cash acquired		-	(1,525)
Additions to property, plant and equipment and intangible assets		(16,648)	(11,692)
Proceeds on disposal of property, plant and equipment		-	1,955
Restricted cash		2,003	38
Cash flows used in investing activities		**(14,645)**	**(11,224)**
Financing activities			
Repayment of long-term debt		(51,639)	(97,381)
Proceeds from the issuance of long-term debt		13,395	60,388
Proceed from the issuance of convertible debentures, net of transaction costs	6	-	58,062
Issue expenses related to long-term debt		(423)	(1,700)
Net decrease in bank indebtedness		(975)	(5,477)
Issuance of common shares		-	164
Financial instruments – net		(51)	23
Increase in other liabilities		2,100	1,824
Purchase of a subsidiary’s non-controlling interest including transaction costs		-	(3,050)
Cash flows (used in) from financing activities		**(37,593)**	**12,853**
Effect of foreign exchange rate changes on cash and cash equivalents		**(391)**	**(584)**
Net decrease in cash and cash equivalents		**(4,752)**	**(12,139)**
Cash and cash equivalents, beginning of year		12,777	22,427
Cash and cash equivalents at end of the period		8,025	10,288

Supplemental information[1]			
Income tax paid (recovered)		3,209	(2,064)
Interest paid		2,444	3,644

[1] Amounts paid (recovered) for income tax and interest were reflected as cash flows from operating activities in the condensed interim consolidated statements of cash flows.

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

5N PLUS INC.

Condensed Interim Consolidated Statements of Changes in Equity

For the nine-month periods ended September 30, 2015 and 2014

(unaudited)
(Figures in thousands of United States dollars, except number of shares)

		Attributable to equity holders of the Company						
For the nine-month period ended September 30, 2015	**Number of shares**	**Share capital**	**Contributed surplus**	**Accumulated other comprehensive loss**	**Deficit**	**Total shareholders' equity**	**Non-controlling interests**	**Total equity**
		$	$	$	$	$	$	$
Balance at beginning of period	83,979,657	343,506	3,914	(3,669)	(147,308)	196,443	(4)	196,439
Net loss for the period	-	-	-	-	(54,583)	(54,583)	(3)	(54,586)
Other comprehensive loss								
Net changes in cash flow hedges	-	-	-	(193)	-	(193)	-	(193)
Currency translation adjustment	-	-	-	(562)	-	(562)	-	(562)
Remeasurement of retirement benefit obligation	-	-	-	604	-	604	-	604
Total comprehensive loss	-	-	-	(151)	(54,583)	(54,734)	(3)	(54,737)
Share-based compensation	-	-	126	-	-	126	-	126
Balance at end of period	**83,979,657**	**343,506**	**4,040**	**(3,820)**	**(201,891)**	**141,835**	**(7)**	**141,828**

		Attributable to equity holders of the Company						
For the nine-month period ended September 30, 2014	**Number of shares**	**Share capital**	**Contributed surplus**	**Accumulated other comprehensive loss**	**Deficit**	**Total shareholders' equity**	**Non-controlling interests**	**Total equity**
		$	$	$	$	$	$	$
Balance at beginning of period	83,908,269	343,272	3,747	(1,555)	(155,412)	190,052	477	190,529
Net earnings (loss) for the period	-	-	-	-	13,263	13,263	(137)	13,126
Other comprehensive income (loss)								
Net changes in cash flow hedges	-	-	-	345	-	345	-	345
Currency translation adjustment	-	-	-	(72)	-	(72)	-	(72)
Remeasurement of retirement benefit obligation	-	-	-	(1,450)	-	(1,450)	-	(1,450)
Total comprehensive income (loss)	-	-	-	(1,177)	13,263	12,086	(137)	11,949
Exercise of stock options	71,388	234	(70)	-	-	164	-	164
Share-based compensation	-	-	258	-	-	258	-	258
Purchase of a subsidiary non-controlling interest, including transaction costs	-	-	-	-	(2,708)	(2,708)	(342)	(3,050)
Balance at end of period	**83,979,657**	**343,506**	**3,935**	**(2,732)**	**(144,857)**	**199,852**	**(2)**	**199,850**

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

NOTE 1 – NATURE OF ACTIVITIES

5N Plus Inc. (“5N Plus” or the “Company”) is a Canadian-based international company. 5N Plus is a producer of specialty metal and chemical products. Fully integrated with closed-loop recycling facilities, the Company’s head office is located at 4385 Garand Street, Saint-Laurent, Quebec (Canada) H4R 2B4. The Company operates manufacturing facilities and sales offices in several locations in Europe, the Americas and Asia. The Company’s shares are listed on the Toronto Stock Exchange (“TSX”). 5N Plus and its subsidiaries represent the “Company” mentioned throughout these condensed interim consolidated financial statements.

The Company has two reportable business segments, namely Electronic Materials and Eco-Friendly Materials. The Electronic Materials segment is associated with the following metals: cadmium, gallium, germanium, indium and tellurium. These are sold as elements, alloys, chemicals and compounds. The Eco-Friendly Materials segment manufactures and sells refined bismuth and bismuth chemicals and low melting-point alloys as well as refined selenium and selenium chemicals.

These condensed interim consolidated financial statements were approved by the Board of Directors on November 3, 2015.

NOTE 2 – BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and as applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”. These condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2014, which have been prepared in accordance with IFRS as issued by the IASB.

The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The accounting policies followed in these unaudited condensed interim financial statements are consistent with those of the previous financial year, with the additional policy described below.

The functional and presentation currency of the Company is the United States dollar.

Non-current assets

Assets are reviewed for an indication of impairment at each statement of financial position date upon the occurrence of events or changes in circumstances indicating that the carrying value of the assets may not be recoverable which requires significant judgment.

During the second quarter of 2015, the Company initiated an efficiency and review of its global operations which included a review of the economic life and carrying value of the Company’s intangible assets, which resulted in an accelerated amortization recorded in other expenses of $11,834 ($6,020 for customer relationships, $4,660 for intellectual property and development costs, $833 for technology and $321 for trade name and non-compete agreements). Following this review, management also performed an impairment test on its non-current assets, as at June 30, 2015, in accordance with IAS 36 “Impairment of assets”, since the market capitalization of the Company, at that date, was lower than the carrying amount of the net assets. Based on this analysis, management concluded that no impairment was required on the remaining non-current assets.

As at September 30, 2015, although the market capitalization of the Company remained lower than the carrying amount of the Company’s net assets, and after updating all assumptions used in its model, management concluded that no impairment has occurred on its non-current assets.

IAS 34 recognizes that the preparation of the interim financial statements generally requires a greater use of estimation methods than the annual financial statements. The main assumptions and estimates used in the discounted cash flow approach developed by the Company that are used in the preparation of the annual financial statements are prepared following the extensive annual planning process, completed annually during the fourth quarter. The assumptions and estimates used in this exercise have greater measurement uncertainty than those resulting from the annual planning process. Changes in any of the assumptions or estimates used in determining the fair value less cost of disposal of the non-current assets could materially impact the impairment analysis and the estimated recovery of the Company's assets.

Income taxes

Taxes on income in interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The income tax expense (recovery) for the three and nine-month periods ended September 30, 2015 was affected by losses carried forward for which no deferred tax asset was recognized as well as the devaluation of various deferred tax assets in certain jurisdictions combined with the impact of foreign exchange fluctuation on temporary differences from some foreign countries.

NOTE 3 – ACCOUNTING POLICIES

Future changes in accounting policies

The following standards have been issued but are not yet effective:

In May 2014, the IASB issued IFRS 15, "Revenues from Contracts with Customers", to specify how and when to recognize revenue as well as requiring the provision of more information and relevant disclosure. IFRS 15 supersedes IAS 18, "Revenue", IAS 11, "Construction Contracts", and other revenue-related interpretations. The standard will be mandatory on January 1, 2018 for the Company with earlier adoption permitted. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

In July 2014, the IASB amended IFRS 9, "Financial Instruments", to bring together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39, "Financial Instruments: Recognition and Measurement". The standard supersedes all previous versions of IFRS 9 and will be mandatory on January 1, 2018 for the Company with earlier application permitted. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

NOTE 4 – INVENTORIES

	September 30 2015	**December 31 2014**
	$	**$**
Raw materials	44,078	54,219
Finished goods	77,675	150,235
Total inventories	**121,753**	**204,454**

For the three and nine-month periods ended September 30, 2015, a total of $56,431 and $207,113 of inventories was included as an expense in cost of sales ($85,968 and $293,872 for the three and nine-month periods ended September 30, 2014).

These include, for the three and nine-month periods ended September 30, 2015, $27,245 and $33,745 of impairment of inventories ($10,629 and $17,129 for the Eco-Friendly Materials segment and $16,616 and $16,616 for the Electronic Materials segment). No impairment of inventories was recorded for the three and nine-month periods ended September 2014.

For the three and nine-month periods ended September 30, 2015, a total of $8,732 and $16,980 of inventories previously written down was recognized as a reduction of expenses in cost of sales ($6,006 and $13,086 for the Eco- Friendly Materials segment and $2,726 and $3,894 for the Electronic Materials segment). For the three and nine-month periods ended September 30, 2014, a total of $1,825 and $4,524 of inventories previously written down was recognized as a reduction of expenses in cost of sales ($664 and $2,101 for the Eco-Friendly Materials segment and $1,161 and $2,423 for the Electronic Materials segment).

NOTE 5 – LONG-TERM DEBT

	September 30 2015	**December 31 2014**
	$	**$**
Senior secured revolving facility of $100,000 ($125,000 as at December 31, 2014) with a syndicate of banks, maturing in August 2018[1]	13,000	51,095
Term loan, non-interest bearing, repayable under certain conditions, maturing in 2023. If the loan has not been repaid in full by the end of 2023, the balance will be forgiven[2]	444	657
Other loans	57	71
	13,501	51,823
Less: Current portion of long-term debt	**459**	**667**
	13,042	**51,156**

(1) In August 2014, the Company signed a senior secured multi-currency revolving credit facility of $125,000, maturing in August 2018, which was reduced to $100,000 as at June 30, 2015. At any time, the Company has the option to request that the credit facility be expanded to $150,000 through the exercise of an additional $50,000 ($25,000 as at December 31, 2014) accordion feature, subject to review and approval by the lenders. This revolving credit facility can be drawn in US dollars, Canadian dollars or Hong Kong dollars. Drawings bear interest at either the Canadian prime rate, US base rate, Hong Kong base rate or LIBOR, plus a margin based on the Company’s senior consolidated debt to EBITDA ratio. Under the terms of its credit facility, the Company is required to satisfy certain restrictive covenants as to financial ratios, including a maximum drawing limit on the credit facility of $50,000 from June 30, 2015 until January 1, 2016 at the earliest. As at September 30, 2015, the Company has met all covenants.

In addition, in August 2014, the Company’s subsidiary in Belgium entered into a bi-lateral credit facility of 5,000 Euros which is coterminous with the new senior secured multi-currency revolving credit facility, and guaranteed by the same security pool. This bi-lateral facility can be drawn in Euros or US dollars and bears interest at similar rates as the revolving credit facility. No amount was used as at September 30, 2015 and December 31, 2014.

(2) The term loan is classified as short-term debt since these amounts could become payable on demand.

In order to comply with these covenants, the Company has prepared and will need to execute on its EBITDA and cash flow estimates. Management believes that the assumptions used by the Company in preparing its estimates are reasonable.

NOTE 6 – CONVERTIBLE DEBENTURES

In June 2014, the Company issued convertible unsecured subordinated debentures for CA$60,000 (US$55,266) and an additional over-allotment option for CA$6,000 (US$5,580) for a total of CA$66,000 (US$60,846). The convertible unsecured subordinated debentures bear interest at a rate of 5.75% per annum, payable semi-annually on June 30 and December 31, commencing on December 31, 2014. The convertible debentures are convertible at the holder’s option into the Company’s common shares at a conversion price of CA$6.75 per share, representing a conversion rate of 148.1 common shares per CA$1,000 principal amount of convertible debentures. The convertible debentures will mature on June 30, 2019 and may be redeemed by the Company, in certain circumstances, after June 30, 2017.

The debenture conversion option was recorded as a derivative liability (Note 11). In accordance with IFRS, an obligation to issue shares for a price that is not fixed in the Company’s functional currency must be classified as a derivative liability and measured at fair value, with changes recognized in change in fair value of debenture conversion option in the consolidated statements of earnings.

The fair value of the debenture conversion option, which consists of the holder's conversion option subject to the Company's early redemption options, was estimated based on a methodology for pricing convertible bonds using an approach based on partial differential equations or binomial lattices, with the following assumptions: average expected volatility of 40%; expected dividend per share of nil; entity-specific credit spread, and expected life of 5 years. As a result, the initial fair value of the liability representing the debenture conversion option for the two tranches of the issuance of the debenture was estimated at CA$10,484 (US$9,666). Assumptions were reviewed in the valuation as at September 30, 2015 and December 31, 2014, and have not changed substantially except for the expected life of 3.75 years and 4.5 years respectively.

NOTE 7 – EXPENSES BY NATURE

	Three months		**Nine months**	
Expenses by nature	**2015**	**2014**	**2015**	**2014**
	$	$	$	$
Wages and salaries	10,163	10,701[(1)]	30,627	34,073[(1)]
Share-based compensation expense	80	54	205	258
Depreciation of property, plant and equipment and amortization of intangible assets (Note 2)	2,422	3,023	19,879	8,602
Amortization of other assets	178	171	1,135	554
Research and development, net of tax credit	879	795	1,664	2,279
Litigation and restructuring costs	500	149	500	774
Impairment of inventories (Note 4)	27,245	-	33,745	-
Allowance for a doubtful note receivable from a related party[(2)]	2,447	-	2,447	-

(1) Includes gain on foreign exchange forward contracts related to US$/CA$ (Note 11).
(2) During the third quarter of 2015, the Company assessed that under current and foreseeable market price for gallium, its note receivable from a related party (Ingal Stade GmBh, a 50% joint venture) is not likely be reimbursed.

NOTE 8 – (LOSS) EARNINGS PER SHARE

The following table reconciles the numerators and denominators used for the computation of basic and diluted (loss) earnings per share:

	Three months		**Nine months**	
Numerators	**2015**	**2014**	**2015**	**2014**
	$	$	$	$
Net (loss) earnings attributable to equity holders of 5N Plus Inc.	(32,171)	4,172	(54,583)	13,263
Dilutive effect:				
Convertible debentures	-	(5,377)	-	(4,615)
Net (loss) earnings attributable to equity holders of 5N Plus Inc. adjusted for dilution effect	(32,171)	(1,205)	(54,583)	8,648
Net (loss) earnings for the period	(32,171)	4,171	(54,586)	13,126
Dilutive effect:				
Convertible debentures	-	(5,377)	-	(4,615)
Net (loss) earnings for the period adjusted for dilution effect	(32,171)	(1,206)	(54,586)	8,511

	Three months		Nine months	
Denominators	**2015**	**2014**	**2015**	**2014**
Basic weighted average number of shares	83,979,657	83,979,657	83,979,657	83,938,592
Dilutive effect:				
Stock options	-	228,719	-	259,654
Convertible debentures	-	9,774,600	-	3,736,677
Diluted weighted average number of shares	83,979,657	93,982,976	83,979,657	87,934,923

For the three and nine-month periods ended September 30, 2015, a total number of 1,588,345 stock options were excluded from the diluted weighted average number of shares due to their anti-dilutive effect. The same applies to the convertible debentures for the three and nine-month periods ended September 30, 2015.

For the three and nine-month periods ended September 30, 2014, a total number of 1,045,010 stock options were excluded from the diluted weighted average number of shares due to their anti-dilutive effect because of the Company's stock price. The same applies to the warrants which expired on June 6, 2014.

NOTE 9 – OPERATING SEGMENTS

The following tables summarize the information reviewed by the Company's management when measuring performance:

For the three-month period ended September 30, 2015	**Eco-Friendly Materials**	**Electronic Materials**	**Corporate and Unallocated**	**Total**
	$	**$**	**$**	**$**
Segment revenues(1)	43,733	24,999	-	68,732
Adjusted EBITDA(2) (3)	804	2,884	(2,636)	1,052
Interest on long-term debt, imputed interest and other interest expense	-	-	2,125	2,125
Impairment of inventories	10,629	16,616	-	27,245
Litigation and restructuring costs	-	-	500	500
Allowance for a doubtful note receivable from related party	-	2,447	-	2,447
Change in fair value of debenture conversion option	-	-	(194)	(194)
Foreign exchange and derivative gain	-	-	(2,810)	(2,810)
Depreciation and amortization	946	1,326	150	2,422
Loss before income tax	(10,771)	(17,505)	(2,407)	(30,683)
Capital expenditures	**2,408**	**2,646**	**27**	**5,081**

For the three-month period ended September 30, 2014	**Eco-Friendly Materials**	**Electronic Materials**	**Corporate and Unallocated**	**Total**
	$	**$**	**$**	**$**
Segment revenues(1)	79,654	34,784	-	114,438
Adjusted EBITDA(2) (3)	6,415	4,684	(3,028)	8,071
Interest on long-term debt, imputed interest and other interest expense	-	-	2,762	2,762
Change in fair value of debenture conversion option	-	-	(5,623)	(5,623)
Foreign exchange and derivative (gain) loss(4)	-	-	824	824
Litigation and restructuring costs	149	-	-	149
Depreciation and amortization	807	2,176	40	3,023
(Loss) earnings before income tax	5,459	2,508	(1,031)	6,936
Capital expenditures	**4,383**	**1,448**	**-**	**5,831**

For the nine-month period ended September 30, 2015	**Eco-Friendly Materials**	**Electronic Materials**	**Corporate and Unallocated**	**Total**
	$	**$**	**$**	**$**
Segment revenues[1]	166,213	85,432	-	251,645
Adjusted EBITDA[2] [3]	(538)	10,676	(6,853)	3,285
Interest on long-term debt, imputed interest and other interest expense	-	-	6,955	6,955
Impairment of inventories	17,129	16,616	-	33,745
Litigation and restructuring costs	-	-	500	500
Allowance for a doubtful note receivable from related party	-	2,447	-	2,447
Change in fair value of debenture conversion option	-	-	(1,840)	(1,840)
Foreign exchange and derivative (gain) loss	-	-	(2,871)	(2,871)
Depreciation and amortization	2,093	17,551	235	19,879
(Loss) earnings before income tax	(19,760)	(25,938)	(9,832)	(55,530)
Capital expenditures	**7,177**	**9,343**	**128**	**16,648**

For the nine-month period ended September 30, 2014	**Eco-Friendly Materials**	**Electronic Materials**	**Corporate and Unallocated**	**Total**
	$	**$**	**$**	**$**
Segment revenues[1]	265,945	127,469	-	393,414
Adjusted EBITDA[2] [3]	19,061	18,789	(8,462)	29,388
Interest on long-term debt, imputed interest and other interest expense	-	-	5,909	5,909
Change in fair value of debenture conversion option	-	-	(5,811)	(5,811)
Foreign exchange and derivative (gain) loss[4]	-	-	314	314
Gain on disposal of property, plant and equipment	(748)	(564)	-	(1,312)
Litigation and restructuring costs	447	142	185	774
Depreciation and amortization	2,211	6,271	120	8,602
Earnings (loss) before income tax	17,151	12,940	(9,179)	20,912
Capital expenditures	**6,208**	**5,469**	**15**	**11,692**

(1) The total revenues of $4,257 and $14,305 for the three and nine-month periods ended September 30, 2015 from the recycling and trading of complex materials is allocated to the Eco-Friendly Materials and Electronic Materials segments ($6,882 and $28,737 for the three and nine-month periods ended September 30, 2014).

(2) Earnings (loss) before income tax, depreciation and amortization, impairment of inventories, gain on disposal of property, plant and equipment, financial expense (revenues) and litigation and restructuring costs.

(3) The total adjusted EBITDA of $223 and $614 for the three and nine-month periods ended September 30, 2015 from the recycling and trading of complex materials is allocated to the Eco-Friendly Materials and Electronic Materials segments ($2,359 and $5,231 for the three and nine-month periods ended September 30, 2014).

(4) The foreign exchange and derivative (gain) loss excludes the loss (gain) on foreign exchange forward contracts on US$/CA$ recorded as part of wages and salaries and the loss (gain) on derivative forward contracts to sell silver metal recorded as part of cost of goods sold.

As at September 30, 2015	**Eco-Friendly Materials**	**Electronic Materials**	**Corporate and Unallocated**	**Total**
	$	**$**	**$**	**$**
Total assets excluding the deferred tax asset:	119,725	139,405	5,120	264,250

As at December 31, 2014	**Eco-Friendly Materials**	**Electronic Materials**	**Corporate and Unallocated**	**Total**
	$	**$**	**$**	**$**
Total assets excluding the deferred tax asset:	187,116	193,181	8,197	388,494

The geographic distribution of the Company's revenues based on the location of the customers for the three and nine-month periods ended September 30, 2015 and 2014, and the identifiable non-current assets as at September 30, 2015 and December 31, 2014 are summarized as follows:

	Three months		**Nine months**	
Revenues	**2015**	**2014**	**2015**	**2014**
	$	**$**	**$**	**$**
Asia				
China	7,548	13,048	16,561	29,172
Japan	1,502	3,145	4,920	8,832
Other[1]	14,838	22,540	48,636	76,460
Americas				
United States	16,125	22,679	61,751	78,407
Other	3,645	2,473	13,268	10,636
Europe				
Germany	8,571	11,867	29,791	66,671
France	3,442	7,614	16,493	26,575
United Kingdom	2,164	6,025	7,822	18,021
Other[1]	9,581	20,974	47,852	68,390
Other	1,316	4,073	4,551	10,250
Total	**68,732**	**114,438**	**251,645**	**393,414**

[1] None exceeding 10%

For the three and nine-month periods ended September 30, 2014, one customer represented approximately 8.9% and 10.5% of the revenues, and is included in Electronic Materials revenues.

Non-current assets (other than deferred tax assets)	**September 30 2015**	**December 31 2014**
	$	**$**
Asia		
Hong Kong	774	6,367
Other[1]	20,541	18,494
United States	4,877	6,918
Canada	21,904	19,434
Europe		
Belgium	9,612	10,049
Germany	20,406	24,485
Other	3,997	5,193
Total	**82,111**	**90,940**

[1] None exceeding 10%

NOTE 10 – SUPPLEMENTAL CASH FLOW INFORMATION

Net change in non-cash working capital balances related to operations consists of the following:

	For the nine-month period ended September 30, 2015	For the nine-month period ended September 30, 2014
	$	$
Decrease (increase) in assets:		
Accounts receivable	28,061	(2,517)
Inventories	49,975	(31,261)
Income tax receivable	(3,390)	5,579
Other current assets	1,155	1,099
(Decrease) increase in liabilities:		
Trade and accrued liabilities	(23,600)	(2,726)
Income tax payable	(207)	3,080
Net change	**51,994**	**(26,746)**

For the nine-month periods ended September 30, 2015 and 2014, the condensed interim consolidated statements of cash flows exclude or include the following transactions:

		2015	2014
		$	$
a)	Excluded additions unpaid at end of period:		
	Additions to property, plant and equipment	4,231	4,531
b)	Included additions unpaid at beginning of period:		
	Additions to property, plant and equipment	5,423	1,637
c)	Excluded reclassification from trade and accrued liabilities to other liabilities following new agreement with a supplier	-	8,941

NOTE 11 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is determined by reference to the available market information at the reporting date. When no active market exists for a financial instrument, the Company determines the fair value of that instrument based on valuation methodologies as discussed below. In determining assumptions required under a valuation model, the Company primarily uses external, readily observable market data inputs. Assumptions or inputs that are not based on observable market data incorporate the Company's best estimates of market participant assumptions, and are used when external data is not available. Counterparty credit risk and the Company's own credit risk are taken into account in estimating the fair value of all financial assets and financial liabilities.

The following assumptions and valuation methodologies have been used to measure fair value of financial instruments:

(i) The fair value of its short-term financial assets and financial liabilities, including cash and cash equivalents, restricted cash, accounts receivable, bank indebtedness and trade and accrued liabilities approximates their carrying value due to the short-term maturities of these instruments;
(ii) The fair value of foreign exchange forward contracts, including in derivative financial liabilities, is estimated by discounting expected future cash flows using period-end currency rate;
(iii) The fair value of the debenture conversion option, including in derivative financial liabilities, is described in Note 6;
(iv) The fair value of long-term debt and a long-term payable are estimated based on discounted cash flows using current interest rate for instruments with similar terms and remaining maturities; and
(v) The fair value of the convertible debentures is based on quoted prices observed in active markets.

The carrying values and fair values of financial instruments, by class, are as follows as at September 30, 2015 and December 31, 2014:

As at September 30, 2015				**Carrying value**	**Fair value**
	At fair value through profit or loss	**Loans and receivables**	**Financial liabilities at amortized cost**	**Total**	**Total**
	$	**$**	**$**	**$**	**$**
Financial assets					
Cash and cash equivalents	-	8,025	-	8,025	8,025
Accounts receivable	-	44,330	-	44,330	44,330
Total	**-**	**52,355**	**-**	**52,355**	**52,355**
Financial liabilities					
Trade and accrued liabilities	-	-	36,862	36,862	36,862
Long-term debt	-	-	13,501	13,501	13,501
Convertible debentures and debenture conversion option (including in derivative financial liabilities)	89	-	41,216	41,305	38,635
Long-term payable (including in other liabilities)	-	-	14,316	14,316	14,316
Total	**89**	**-**	**105,895**	**105,984**	**103,314**

As at December 31, 2014				**Carrying value**	**Fair value**
	At fair value through profit or loss	**Loans and receivables**	**Financial liabilities at amortized cost**	**Total**	**Total**
	$	**$**	**$**	**$**	**$**
Financial assets					
Cash and cash equivalents	-	12,777	-	12,777	12,777
Restricted cash	-	2,115	-	2,115	2,115
Accounts receivable	-	72,391	-	72,391	72,391
Derivative financial assets	147	-	-	147	147
Total	**147**	**87,283**	**-**	**87,430**	**87,430**
Financial liabilities					
Bank indebtedness	-	-	975	975	975
Trade and accrued liabilities	-	-	60,286	60,286	60,286
Long-term debt	-	-	51,823	51,823	51,823
Convertible debentures and debenture conversion option (including in derivative financial liabilities)	2,093	-	46,101	48,194	49,517
Long-term payable (including in other liabilities)	-	-	12,577	12,577	12,577
Total	**2,093**	**-**	**171,762**	**173,855**	**175,178**

Fair value hierarchy

The fair value hierarchy reflects the significance of the inputs used in making the measurements and has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table presents the financial instruments, by class, which are recognized at fair value in the condensed interim consolidated statements of financial position:

As at September 30, 2015	**Level 1**	**Level 2**	**Level 3**
	$	**$**	**$**
Financial assets (liabilities)			
At fair value through profit or loss			
Debenture conversion option (Note 6) [1]	-	-	(89)
Total	**-**	**-**	**(89)**

As at December 31, 2014	**Level 1**	**Level 2**	**Level 3**
	$	**$**	**$**
Financial assets (liabilities)			
At fair value through profit or loss			
Derivative forward contracts (2)	-	147	-
Debenture conversion option (Note 6) (1)	-	-	(2,093)
Total	**-**	**147**	**(2,093)**

(1) This instrument is classified as a Level 3 financial instrument, since the implied volatility is an unobservable input. The change in fair value of the debenture conversion option of $194 and $1,840 was recognized in the consolidated statement of (loss) earnings for the three and nine-month periods ended September 30, 2015 ($5,623 for the three-month and $5,811 for the nine-month periods ended September 30, 2014).

(2) In February 2014, the Company entered into two derivative forward contracts to sell silver at a fixed price to cover purchases of materials containing the precious metal. The first contract fixed the price at $21.83 per ounce as at August 5, 2014 and its nominal value was approximately $1,900. The second contract fixes the price at $20.86 per ounce as at February 3, 2015 and its nominal value is approximately $2,200. Gains or losses on these derivative forward contracts are recorded as part of the cost of sales. In May 2014, the Company entered into two new derivative forward contracts in opposite position in order to crystallize its gain and to neutralize the impacts in the consolidated statement of earnings. As at September 30, 2014, the first contract and the contract in the opposite position matured and, as at March 31, 2015, the second contract and the contract in opposite position matured.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Commitments

In September 2014, the Company signed a loan agreement with one of its suppliers for the construction of manufacturing equipment in Asia. The loan bears an interest rate of 8.5%, and is guaranteed by the supplier’s corporate entity. Under this agreement, the total amount can reach up to $7,000 upon achievement of certain milestones. The initial tranche was disbursed on October 15, 2014. As at September 30, 2015, the amount receivable under the loan is $504 ($1,840 as at December 31, 2014). Each tranche is to be reimbursed on a monthly basis over a term of twelve months starting after each drawdown.

In the normal course of business, the Company contracted letters of credit for an amount of up to $514 as at September 30, 2015 ($439 as at December 31, 2014).

Contingencies

In the normal course of operations, the Company is exposed to events that could give rise to contingent liabilities or assets. As at the date of issue of the condensed interim consolidated financial statements, the Company was not aware of any significant events that would have a material effect on its consolidated financial statements.