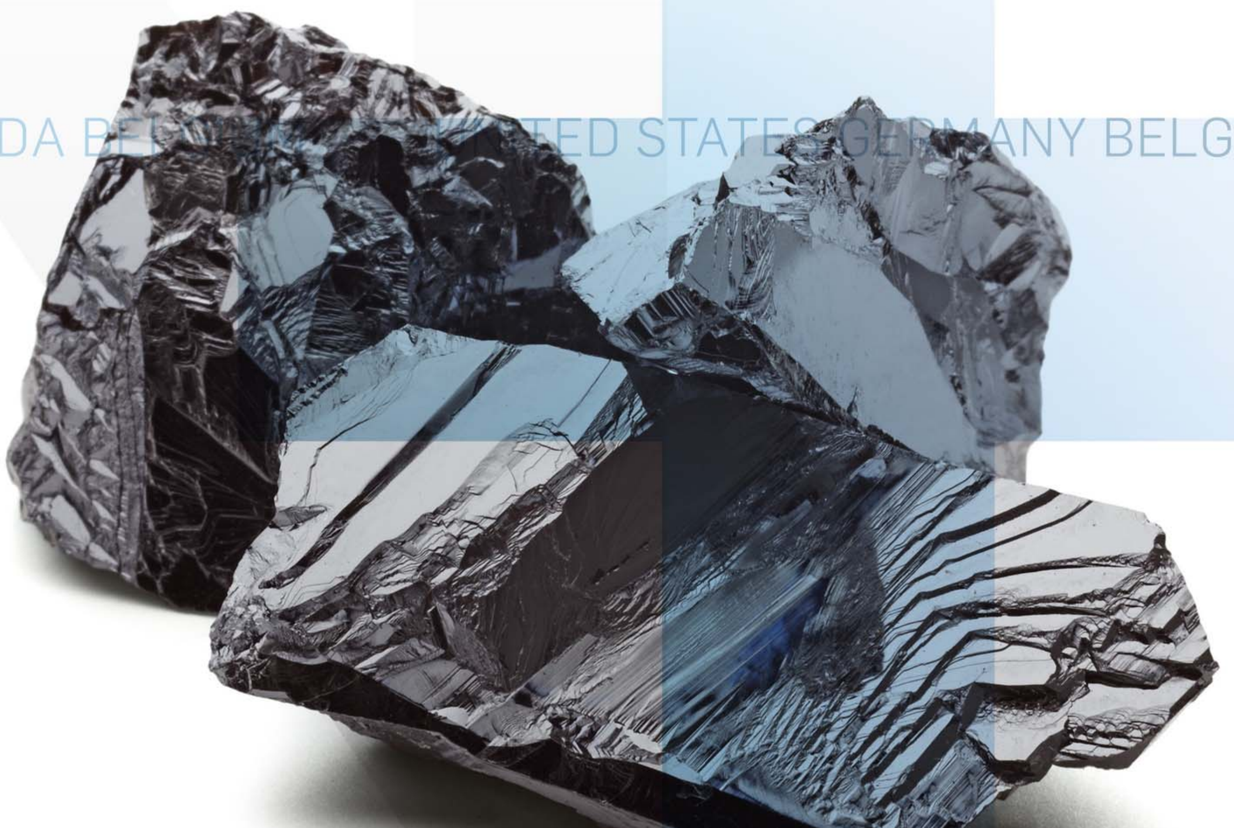
5N PLUS

MANAGEMENT REPORT

Quarter ended
September 30, 2015



Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations is intended to assist readers in understanding 5N Plus Inc. (the "Company" or "5N Plus"), its business environment, strategies, performance and risk factors. This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements for Q3 2015 and the audited consolidated financial statements and the accompanying notes for the year ended December 31, 2014. This MD&A has been prepared in accordance with the requirements of the Canadian Securities Administrators.

Information contained herein includes any significant developments to November 3, 2015, the date on which the MD&A was approved by the Company's board of directors. Unless otherwise indicated, the terms "we", "us" "our" and "the group" as used herein refer to the Company together with its subsidiaries.

The "Q3 2015" and the "Q3 2014" refer to the three-month periods ended September 30, 2015 and 2014, and the ''YTD 2015'' and the ''YTD 2014'' refer to the nine-month periods ended September 30, 2015 and 2014 respectively. All amounts in this MD&A are expressed in U.S. dollars, and all amounts in the tables are in thousands of U.S. dollars, unless otherwise indicated. All quarterly information disclosed in this MD&A is based on unaudited figures.

Non-IFRS Measures

This MD&A also includes certain figures that are not performance measures consistent with IFRS. These measures are defined at the end of this MD&A under the heading Non-IFRS Measures.

Notice Regarding Forward-Looking Statements

Certain statements in this MD&A may be forward-looking within the meaning of applicable securities laws. Forward-looking information and statements are based on the best estimates available to the Company at the time and involve known and unknown risks, uncertainties or other factors that may cause the Company's 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 the Company's 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 nine-month periods ended September 30, 2015 and 2014, available on Sedar at www.sedar.com. Forward-looking statements can generally be identified by the use of terms such as "may", "should", "would", "believe", "expect", the negative of these terms, variations of them or any similar terms. No assurance can be given that any events anticipated by the forward-looking information in this MD&A 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 MD&A is made as of the date hereof and the Company has 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.

Overview

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, Quebec, 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.

Reportable Segments

The Company has two reportable segments, namely Electronic Materials and Eco-Friendly Materials. Corresponding operations and activities are managed accordingly by the Company's key decision makers. Segmented operating and financial information, labelled key performance indicators, are available and used to manage these business segments, review performance and allocate resources. Financial performance of any given segment is evaluated primarily in terms of revenues and Adjusted EBITDA[1] which is reconciled to consolidated numbers by taking into account corporate income and expenses.

The Electronic Materials segment operates in North America, Europe and Asia. The Electronic Materials segment manufactures and sells refined metals, compounds and alloys which are primarily used in a number of electronic applications. Typical end-markets include photovoltaics (terrestrial and spatial solar energy), light emitting diodes (LED), displays, high-frequency electronics, medical imaging and thermoelectrics. Main products are associated with the following metals: cadmium, gallium, germanium, indium and tellurium. These are sold either in elemental or alloyed form as well as in the form of chemicals and compounds. Revenues and earnings associated with recycling services and activities provided to customers of the Electronic Materials segment are also included in the Electronic Materials segment and management of such activities is the responsibility of the Electronic Materials executive team.

The Eco-Friendly Materials segment is so labelled because it is mainly associated with bismuth, one of the very few heavy metals which have no detrimental effect on either human health or in the environment. As a result, bismuth is being increasingly used in a number of applications as a replacement for more harmful metals and chemicals. The Eco-Friendly Materials segment operates in North America, Europe and Asia. The Eco-Friendly Materials segment manufactures and sells refined bismuth and bismuth chemicals, low melting point alloys as well as refined selenium and selenium chemicals. These are used in the pharmaceutical and animal-feed industry as well as in a number of industrial applications including coatings, pigments, metallurgical alloys and electronics. Management of such activities is the responsibility of the Eco-Friendly Materials executive team.

Corporate expenses associated with the head office and unallocated selling, general and administrative expenses (SG&A) together with financial expenses (revenues) have been regrouped under the heading Corporate.

[1] See Non-IFRS Measures

Highlights of Q3 2015

- Revenues for the three and nine-month periods ended September 30, 2015 reached $68.7 million and $251.6 million down from $114.4 million and $393.4 million for the corresponding periods of the previous fiscal year, negatively impacted by continuing erosion in relevant underlying commodity prices which have on average decreased by 55% since the beginning of the year.

- Total debt and net debt[1] decreased by $20.2 million and $11.7 million respectively in the quarter positively impacted by working capital management. As at September 30, 2015 net debt stood at $46.7 million, down from $84.0 million as at December 31, 2014.

- Adjusted EBITDA[1] and EBITDA[1] reached positive $1.1 million and negative $26.1 million respectively in the third quarter of 2015 compared to $8.1 million and $12.7 million for the same quarter of 2014. Margins were similarly negatively impacted by decreasing metal prices including bismuth, indium, selenium and tellurium which fell by 20%, 33%, 29% and 56% respectively in the third quarter alone. The EBITDA for the third quarter was negatively impacted by an inventory impairment charge of $27.2 million as well as an allowance for a doubtful note receivable from an affiliate.

- Net loss for the third quarter of 2015 reached $32.2 million, compared to net earnings of $4.2 million for the third quarter of 2014.

- Backlog[1] as at September 30, 2015 stood at 134 days of sales outstanding up by 12 days and 25 days when compared to the backlog level of December 31, 2014 and September 30, 2014. Backlog and bookings[1] are also negatively impacted by decreases in underlying commodity pricing.

- Mr. Jacques L'Ecuyer has informed the Board of Directors of the Company of his desire to step aside from his current position of President and Chief Executive Officer. As a result, a process has been initiated during the last quarter by the board of directors of the Company to identify a new President and Chief Executive Officer to succeed to Mr. L'Ecuyer whom will remain as President and Chief Executive Officer until the new President and Chief Executive Officer has been appointed by the board of directors.

Demand for the Company's products remained in line with expectations with a slight decrease in shipments following the usual pattern of the European summer slowdown. Continuing and persistent erosion in prices of almost all of the Company's key metals continues to significantly weigh on the financial performance of the Company. Until this trend stops or its magnitude decreases, the Company expects its financial performance to remain disappointing other than from a cash flow standpoint which should stay relatively strong as the Company reduces its working capital requirements in line with underlying commodity pricing trends.

[1] See Non-IFRS Measures

Summary of Results

	Q3 2015	Q3 2014	YTD 2015	YTD 2014
	$	$	**$**	$
Revenues	**68,732**	114,438	**251,645**	393,414
Operating expenses	**67,680**	106,367	**248,360**	364,026
Adjusted EBITDA[1]	**1,052**	8,071	**3,285**	29,388
Impairment of inventory	**(27,245)**	-	**(33,745)**	-
Allowance for a doubtful note receivable from a related party	**(2,447)**	-	**(2,447)**	-
Litigation and restructuring costs	**(500)**	(149)	**(500)**	(774)
Gain on disposal of property, plant and equipment	**-**	-	**-**	1,312
Change in fair value of debenture conversion option	**194**	5,623	**1,840**	5,811
Foreign exchange and derivative (loss) gain	**2,810**	(824)	**2,871**	(314)
EBITDA[1]	**(26,136)**	12,721	**(28,696)**	35,423
Interest on long-term debt, imputed interest and other interest expense	**2,125**	2,762	**6,955**	5,909
Depreciation and amortization	**2,422**	3,023	**19,879**	8,602
(Loss) Earnings before income taxes	**(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	**(32,171)**	4,171	**(54,586)**	13,126
Basic (loss) earnings per share	**($0.38)**	$0.05	**($0.65)**	$0.16
Diluted (loss) earnings per share	**($0.38)**	($0.01)	**($0.65)**	$0.10

Revenues by Segment

	Q3 2015	Q3 2014	Change	YTD 2015	YTD 2014	Change
	$	$		**$**	$	
Electronic Materials	**24,999**	34,784	(28%)	**85,432**	127,469	(33%)
Eco-Friendly Materials	**43,733**	79,654	(45%)	**166,213**	265,945	(38%)
Total revenues	**68,732**	114,438	(40%)	**251,645**	393,414	(36%)

Revenues decreased by 40% compared to the prior year quarter. Revenues in Q3 2015 for the Electronic Materials segment reached $25.0 million, lower from $34.8 million in Q3 2014, impacted negatively by prices and sales mix. Eco-Friendly Materials segment revenues reached $43.7 million, lower from $79.7 million in Q3 2014, as well mostly impacted by prices and sales mix when compared to the prior year quarter.

For YTD 2015, revenues decreased by 36% compared to the same period last year, explained mostly by unfavorable variances from prices and sales mix, and to a lesser extent volume. Revenues for the Electronic Materials segment reached $85.4 million, lower from $127.5 million in YTD 2014. Eco-Friendly Materials segment revenues reached $166.2 million, lower from $265.9 million in YTD 2014.

Net (loss) earnings and Adjusted net (loss) earnings

	Q3 2015	Q3 2014	YTD 2015	YTD 2014
	$	$	**$**	$
Net (loss) earnings	**(32,171)**	4,171	**(54,586)**	13,126
Basic net (loss) earnings per share	**($0.38)**	$0.05	**($0.65)**	$0.16
Reconciling items:				
Impairment of inventory	**27,245**	-	**33,745**	-
Accelerated amortization of intangible assets	**-**	-	**11,834**	-
Allowance for a doubtful note receivable from a related party	**2,447**	-	**2,447**	-
Litigation and restructuring costs	**500**	149	**500**	774
Change in fair value of debenture conversion option	**(194)**	(5,623)	**(1,840)**	(5,811)
Income taxes on taxable items above	**(3,479)**	1,473	**(6,349)**	1,300
Adjusted net (loss) earnings[1]	**(5,652)**	170	**(14,249)**	9,389
Basic adjusted net (loss) earnings per share[1]	**($0.07)**	$-	**($0.17)**	$0.11

[1] See Non-IFRS Measures

In Q3 2015, Adjusted net earnings[1] decreased by $5.8 million from an Adjusted net earnings of $0.2 million to an Adjusted net loss of $5.7 million when compared to the same period last year. Net loss reached $32.2 million in Q3 2015 compared to net earnings of $4.2 million for the same period last year. The decrease in net earnings compared to prior year quarter is mainly explained by an inventory impairment charge of $27.2 million, and an allowance for a doubtful note receivable from a related party, mitigated by a positive change in fair value of the debenture conversion option, foreign exchange gain and by lower income tax expenses.

In YTD 2015, Adjusted net earnings decreased by $23.6 million from an Adjusted net earnings of $9.4 million to an Adjusted net loss of $14.2 million when compared to the same period last year. Net loss reached $54.6 million compared to net earnings of $13.1 million for the same period last year. The decrease in net earnings compared to YTD 2014 is mainly explained by an inventory impairment charge of $33.7 million, lower Adjusted EBITDA[1] accelerated amortization of selected intangible assets of $11.8 million, following our review of economic life and carrying value of some assets, combined with an allowance for a doubtful note receivable from a related party and an increase in financial expenses partially offset by the recovery of income tax expenses.

EBITDA and Adjusted EBITDA

	Q3 2015	Q3 2014	Change	**YTD 2015**	YTD 2014	Change
	$	$		**$**	$	
Electronic Materials	**2,884**	4,684	(38%)	**10,676**	18,789	(43%)
Eco-Friendly Materials	**804**	6,415	(87%)	**(538)**	19,061	(103%)
Corporate						
Research and Development	**(400)**	(362)	10%	**(1,124)**	(741)	52%
Other	**(2,236)**	(2,666)	(16%)	**(5,729)**	(7,721)	(26%)
Adjusted EBITDA[1]	**1,052**	8,071	(87%)	**3,285**	29,388	(89%)
EBITDA[1]	**(26,136)**	12,721	(305%)	**(28,696)**	35,423	(181%)

In Q3 2015, EBITDA[1] reached a negative amount of $26.1 million compared to a positive amount of $12.7 million, with margins impacted by commodity pricing decreasing rapidly across most metals. In Q3 2015, Adjusted EBITDA[1] amounted to $1.1 million compared to $8.1 million for the same period a year ago. The Adjusted EBITDA decreased mainly from lower selling prices compared to the same period a year ago. Adjusted EBITDA for the Electronic Materials segment decreased by $1.8 million at $2.9 million achieving an Adjusted EBITDA margin[1] of 12% compared to 13% for the prior year quarter. Adjusted EBITDA for the Eco-Friendly Materials segment decreased to $0.8 million compared to $6.4 million in Q3 2014 with an Adjusted EBITDA margin of 2% compared to 8% for the prior year quarter. Margins have been impacted by further unfavorable underlying commodity pricing for many of our metals, as well as higher cost of inventories compared to most recent market prices.

In YTD 2015, EBITDA reached negative $28.7 million compared to a positive amount of $35.4 million for YTD 2014, margins impacted by decreasing commodity pricing that started in the fourth quarter of 2014. Adjusted EBITDA amounted to $3.3 million compared to $29.4 million for the same period a year ago. The Adjusted EBITDA decreased mainly from lower selling prices compared to the same period a year ago. Adjusted EBITDA for the Electronic Materials segment decreased by $8.1 million at $10.7 million achieving an Adjusted EBITDA margin of 12% compared to 15% for the prior year. Adjusted EBITDA for the Eco-Friendly Materials segment decreased to a negative $0.5 million compared to $19.1 million in YTD 2014 with an Adjusted EBITDA margin of nil compared to a positive 7% for the prior year.

Impairment Charges

	Q3 2015	Q3 2014	**YTD 2015**	YTD 2014
	$	$	**$**	$
Electronic Materials	**16,616**	-	**16,616**	-
Eco-Friendly Materials	**10,629**	-	**17,129**	-
Total	**27,245**	-	**33,745**	-

An inventory impairment charge of $27.2 million on most products was recorded in Q3 2015 for a 2015 YTD charge of $33.7 compared to none for the same periods of 2014, reflecting the expected net realized value as at September 30, 2015 following decline in commodity prices impacting our industry.

[1] See Non-IFRS Measures

Bookings and Backlog

	BACKLOG[1]			BOOKINGS[1]		
	Q3 2015	Q2 2015	Q3 2014	**Q3 2015**	Q2 2015	Q3 2014
	$	$	$	**$**	$	$
Electronic Materials	**54,965**	68,368	79,753	**11,596**	18,095	37,259
Eco-Friendly Materials	**45,603**	62,981	57,430	**26,355**	51,742	63,999
Total	**100,568**	131,349	137,183	**37,951**	69,837	101,258

(number of days based on annualized revenues)	BACKLOG[1]			BOOKINGS[1]		
	Q3 2015	Q2 2015	Q3 2014	**Q3 2015**	Q2 2015	Q3 2014
Electronic Materials	**201**	203	209	**42**	54	98
Eco-Friendly Materials	**95**	102	66	**55**	84	73
Weighted average	**134**	137	109	**50**	73	81

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

Q3 2015 vs Q2 2015

Overall the backlog[1] as at September 30, 2015 represented 134 days of annualized revenues, lower than the previous quarter following the renewal pattern of most contracts which generally occurs in the first and fourth quarters of the year. Backlog expressed in number of days is marginally lower in Q3 2015 than in Q2 2015.

Backlog as at September 30, 2015, for the Electronic Materials segment represented 201 days of annualized segment revenues decreasing by 2 days, or 1%, over the backlog of Q2 2015. The backlog for the Eco-Friendly Materials segment represented 95 days of annualized segment revenues, a decrease of 7 days or 9%, over the backlog of Q2 2015.

Bookings[1] for the Electronic Materials segment decreased by 12 days to 42 days compared to Q2 2015. Bookings for the Eco-Friendly Materials segment decreased by 29 days, from 84 days in Q2 2015 to 55 days in Q3 2015.

Q3 2015 vs Q3 2014

Backlogs as at September 30, 2015 for the Electronic Materials segment decreased by 8 days, and increased by 29 days for the Eco-Friendly Materials segment compared to the previous year quarter.

Booking decreased by 56 days for the Electronic Materials segment and by 18 days for the Eco-Friendly Materials segment compared to the previous year quarter.

Expenses

	Q3 2015	Q3 2014	Change	**YTD 2015**	YTD 2014	Change
	$	$		**$**	$	
Depreciation and amortization	**2,422**	3,023	(20%)	**19,879**	8,602	131%
SG&A	**7,443**	8,480	(12%)	**21,186**	28,283	(25%)
Litigation and restructuring costs	**500**	149	236%	**500**	774	(35%)
Allowance for a doubtful note receivable from a related party	**2,447**	-	100%	**2,447**	-	100%
Financial (revenues) expenses	**(879)**	(2,037)	(57%)	**2,244**	412	445%
Income tax (recovery) expense	**1,488**	2,765	(46%)	**(944)**	7,786	(112%)
Total expenses	**13,421**	12,380	8%	**45,312**	45,857	(1%)

Depreciation and Amortization

Depreciation and amortization expenses in Q3 2015 and YTD 2015 amounted to $2.4 million and $19.9 million respectively, compared to $3.0 million and $8.6 million for the same periods of 2014. The increase in YTD 2015 is attributable to an accelerated amortization of selected intangible assets of $11.8 million recorded in Q2 of the current fiscal year, following our review of the economic life and carrying value of some assets.

[1] See Non-IFRS Measures

SG&A
For Q3 2015 and YTD 2015, SG&A expenses were $7.4 million and $21.2 million respectively, compared to $8.5 million and $28.3 million for the same periods of 2014. Variation is mostly explained by lower wages and professional expenses as well as favourable exchange rates across most local currency denominated expenses on an YTD basis.

Litigation and Restructuring costs
The Company recorded litigation and restructuring costs as provision of $0.5 million for Q3 2015 and YTD 2015, compared to an expense of $0.1 million and $0.8 million for the same periods a year ago.

Allowance for a doubtful note receivable from a related party
During Q3 2015, the Company assessed that under current and foreseeable market price of gallium, its note receivable from a related party (Ingal Stade GmBh, a 50% joint venture) is not likely be reimbursed.

Financial revenues and expenses
Financial revenues for Q3 2015 amounted to $0.9 million compared to $2.0 million for the same period last year. The decrease of $1.1 million is mainly due to less positive change in the fair value of the debenture conversion option mitigated by higher unrealized foreign exchange and derivative gain.

For YTD 2015, financial expenses amounted to $2.2 million compared to $0.4 million for the same period last year. The increase of imputed interest and other interest expenses as well as lower gain related to change in the fair value of the debenture conversion option were mitigate by higher foreign exchange and derivatives gain.

Income Taxes
For Q3 2015 and YTD 2015, income tax expense were $1.5 million and income tax recovery were $0.9 million respectively, representing an effective tax rate of negative 5% and positive 2% respectively, compared to 40% and 37% for the same periods last year. The effective tax rate for Q3 2015 and YTD 2015 are lower due to 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.

Liquidity and Capital Resources

	Q3 2015	Q3 2014	Change	**YTD 2015**	YTD 2014	Change
	$	$		**$**	$	
Funds (used in) from operations[1]	**(620)**	982	(163%)	**(4,117)**	13,562	(130%)
Net changes in non-cash working capital items	**14,460**	(528)	(2,839%)	**51,994**	(26,746)	(294%)
Operating activities	**13,840**	454	2,948%	**47,877**	(13,184)	(463%)
Investing activities	**(5,094)**	(5,906)	(14%)	**(14,645)**	(11,224)	30%
Financing activities	**(17,156)**	(5,305)	(223%)	**(37,593)**	12,853	(392%)
Effect of foreign exchange rate changes on cash and cash equivalents related to operations	**(84)**	(610)	(86%)	**(391)**	(584)	(33%)
Net decrease in cash and cash equivalents	**(8,494)**	(11,367)	(25%)	**(4,752)**	(12,139)	(61%)

For Q3 2015, cash generated by operating activities was $13.8 million compared to $0.5 million for the same period last year. The increase is mainly attributable to a better management of non-cash working capital mainly through lower inventory and accounts receivable partially offset by lower accounts payable.

Investing activities consumed $5.1 million in Q3 2015 compared to $5.9 million in the same period a year ago. This decrease is explained by a decrease in acquisition of property, plant and equipment and intangible assets.

Financing activities consumed $17.2 million in Q3 2015 compared to $5.3 million in the same period a year ago. This decrease is mainly associated with a net reduction in the amounts drawn under the revolving facility following a better management of non-cash working capital.

[1] See Non-IFRS Measures

For YTD 2015, cash generated by operating activities was $47.9 million compared to cash consumed of $13.2 million in YTD 2014. The increase in mainly attributable to the favorable change in the non-cash working capital due to its better management. Investing activities consumed $14.6 million compared to $11.2 million for the same period a year ago mainly explained by an increase in addition to property, plant and equipment and intangible assets. Cash consumed by financing activities was $37.6 million compared to cash generated of $12.9 million, a year ago. This decrease is mainly associated with the issuance of convertible debentures net of fees in Q2 2014 partially offset by repayment of long-term debt.

As of June 30, 2015 the Company amended its senior secured multi-currency revolving credit facility of $125.0 million, maturing in August 2018, which was reduced to $100.0 million. At any time, the Company has the option to request that the credit facility be expanded to $150.0 million through the exercise of an additional $50.0 million ($25.0 million as at December 31, 2014) accordion feature, subject to review and approval by the lenders. 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 $50.0 million from June 30, 2015 until January 1, 2016 at the earliest, period during which the Company obtained waiver of its fixed charge coverage ratio. There has been no change to the other Company's bi-lateral credit facility in Belgium of 5.0M Euros. As at September 30, 2015, the Company has met all covenants.

Working Capital

	As at September 30, 2015	As at December 31, 2014
	$	$
Inventories	121,753	204,454
Other current assets	60,386	93,100
Current liabilities	(43,178)	(67,992)
Working capital[1]	138,961	229,562
Working capital current ratio[1]	4.22	4.38

The decrease in working capital[1] is mainly due to a better alignment between material usage and purchase in an effort to reduce inventory as well as lower average commodity pricing compared to December 31, 2014.

Net Debt

	As at September 30, 2015	As at December 31, 2014
	$	$
Bank indebtedness	-	975
Long-term debt including current portion	13,501	51,823
Convertible debentures	41,216	46,101
Total Debt	54,717	98,899
Cash and cash equivalents and restricted cash	(8,025)	(14,892)
Net Debt[1]	46,692	84,007

Total debt decreased by $44.2 million to $54.7 million as at September 30, 2015, compared to $98.9 million as at December 31, 2014. The decrease of debt is due to the decrease in working capital.

Net debt[1] after taking into account cash and cash equivalents and restricted cash decreased by $37.3 million, from $84.0 million as at December 31, 2014 to $46.7 million as at September 30, 2015.

[1] See Non-IFRS Measures

Funds from Operations

	Q3 2015	Q3 2014	YTD 2015	YTD 2014
	$	$	**$**	$
Funds (used in) from operations[1]	**(620)**	982	**(4,117)**	13,562
Net acquisition of PPE and intangible assets	**(5,081)**	(5,831)	**(16,648)**	(9,737)
Working capital changes	**14,460**	(528)	**51,994**	(26,746)
Issuance of common shares	**-**	-	**-**	164
Others	**2,930**	(92)	**6,086**	5,220
	12,309	(6,451)	**41,432**	(31,099)
Total movement in net debt[1]	**11,689**	(5,469)	**37,315**	(17,537)
Net debt[1], beginning of period	**(58,381)**	(70,398)	**(84,007)**	(58,330)
Net debt[1], end of period	**(46,692)**	(75,867)	**(46,692)**	(75,867)

For Q3 2015 and YTD 2015, funds used in operations[1] decreased to $0.6 million and $4.1 million respectively, compared to funds from operations of $1.0 million and $13.6 million for the same periods of 2014. However, these decreases were more than compensated by favorable working capital changes following management initiatives.

	Q3 2015	Q3 2014
Net debt to rolling annualized adjusted EBITDA ratio	**5.22**	2.03
Rolling annualized funds from operations to net debt (%)[1]	**(0.2%)**	29.8%

Net debt to rolling annualized adjusted EBITDA[1] ratio for Q3 2015 was 5.2 versus 2.0 in Q3 2014. Rolling annualized funds from operations to net debt represented a negative 0.2% for Q3 2015 compared to 29.8% for the same period last year.

Share Information

	As at November 3, 2015	As at September 30, 2015
Issued and outstanding shares	**83,979,657**	83,979,657
Stock options potentially issuable	**1,588,345**	1,588,345
Convertible debentures potentially issuable	**9,777,777**	9,777,777

Off-Balance Sheet Arrangements

The Company has certain off-balance sheet arrangements, consisting of leasing certain premises and equipment under the terms of operating leases and contractual obligations in the normal course of business.

The Company is exposed to currency risk on sales in Euro and other currencies and therefore periodically enters into foreign currency forward contracts to protect itself against currency fluctuation. The reader will find more details related to these contracts in Notes 11 of the condensed interim consolidated financial statements for the three and nine-month periods ended September 30, 2015.

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 million 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 $0.5 million ($1.8 million as at December 31, 2014). Each tranche is to be reimbursed on a monthly basis over a term of 12 months starting after each drawdown.

In the normal course of business, the Company contracted letters of credit for an amount of up to $0.5 million as at September 30, 2015 ($0.4 million as at December 31, 2014).

[1] See Non-IFRS Measures

Contingencies

In the normal course of operations, the Company is exposed to events that could give rise to contingent liabilities or assets. As at November 3, 2015, the Company was not aware of any significant events that would have a material effect on its consolidated financial statements.

Governance

As required by Multilateral Instrument 52-109 of the Canadian Securities Administrators («MI 52-109 »), 5N Plus has filed certificates signed by the Chief Executive Officer and the Chief Financial Officer that, among other things, attest to the design of the disclosure controls and procedures and the design and effectiveness of internal controls over financial reporting.

Disclosure Controls and Procedures

The Chief Executive Officer and the Chief Financial Officer have designed disclosure controls and procedures, or have caused them to be designed under their supervision, in order to provide reasonable assurance that:

- material information relating to the Company has been made known to them; and
- information required to be disclosed in the Company's filings is recorded, processed, summarized and reported within the time periods specified in securities legislation.

An evaluation was carried out, under the supervision of the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures. Based on this evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the disclosure controls and procedures are effective.

Internal Control over Financial Reporting

The Chief Executive Officer and the Chief Financial Officer have also designed internal controls over financial reporting (ICFR), or have caused them to be designed under their supervision, in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Based on their evaluation carried out to assess the effectiveness of the Company's ICFR , the Chief Executive Officer and the Chief Financial Officer have concluded that the ICFR were designed and operated effectively using the Internal Control – Integrated Framework (2013 Framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO 2013 Framework").

Changes in Internal Control over Financial Reporting

No changes were made to our ICFR during the nine-month period ended September 30, 2015 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Accounting Policies and Changes

The Company established its accounting policies and methods used in the preparation of its audited consolidated financial statements for the fiscal year 2014 in accordance with IFRS. The Company's significant accounting policies are described in Note 2 of the December 31, 2014 audited consolidated financial statements. The key assumptions and basis for estimates that management has made under IFRS, and their impact on the amounts reported in the consolidated financial statements and notes, remain substantially unchanged from those described in the Company's audited consolidated financial statements for the fiscal year ended December 31, 2014, except for the following.

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 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 $11.8 million ($6.0 million for customer relationships, $4.7 million for intellectual property and development costs, $0.8 million for technology and $0.3 million 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 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.

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.

Financial Instruments and Risk Management

Fair Value of financial instruments

A detailed description of the methods and assumptions used to measure the fair value of the Company financial instruments and their fair value are discussed in Note 17 – Categories of Financial Assets and Financial Liabilities in the 2014 consolidated financial statements of the Company.

Financial Risk Management

For a detailed description of nature and extent of risks of arising from financial instruments, and their related risk management, refer to Note 11 of the unaudited condensed interim consolidated financial statements for the three and nine-month periods ended September 30, 2015 and 2014. The Company is not aware of any significant changes to its risks factors from those disclosed at that time.

Risk and Uncertainties

For a detailed description of risk factors associated with 5N Plus and its business, refer to "Risk and Uncertainties" of 5N Plus' 2014 MD&A dated February 24, 2015. Factors of uncertainty and risks that might result in such differences include the risks related to the possible failure to realize anticipated benefits of acquisitions and investments, additional indebtedness, credit, interest rates, inventory pricing, currency fluctuation, fair value, commodity price, source of supplies, environmental regulations, competition, dependence on key personnel, business interruptions, protection of intellectual property, international operations, collective agreements and those associated with public issuer status. The company is not aware of any significant changes to its risks factors disclosed at that time.

Non-IFRS Measures

In this Management's Report, the Company's management uses certain measures which are not in accordance with IFRS. Non-IFRS measures are useful supplemental information but may not have a standardized meaning according to IFRS.

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.

EBITDA means net earnings (loss) before interest expenses (revenues), income taxes, depreciation and amortization. We use EBITDA because we believe it is a meaningful measure of the operating performance of our ongoing business without the effects of certain expenses. The definition of this non-IFRS measure used by the Company may differ from that used by other companies.

EBITDA margin is defined as EBITDA divided by revenues.

Adjusted EBITDA means EBITDA as defined above before impairment of inventories , allowance for doubtful of a receivable from a related party, 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.

Adjusted EBITDA margin is defined as Adjusted EBITDA divided by revenues.

Adjusted net earnings (loss) means the net earnings (loss) before the effect of charge of impairment related to inventory, PPE and intangible assets, impairment of goodwill, allowance for doubtful of a receivable from a related party, litigation and restructuring costs, change in fair value of debenture conversion option, settlement of purchase price and acquisitions costs net of the related income tax. We use adjusted net earnings (loss) because we believe it is a meaningful measure of the operating performance of our ongoing business without the effects of unusual inventory write-downs and property plant and equipment, intangible asset impairment charges, allowance for doubtful of a receivable from a related party, litigation and restructuring costs, change in fair value of debenture conversion option, the settlement of purchase price and acquisition costs. The definition of this non-IFRS measure used by the Company may differ from that used by other companies.

Basic adjusted net earnings (loss) per share means adjusted net earnings (loss) divided by the weighted average number of outstanding shares. We use basic adjusted net earnings (loss) per share because we believe it is a meaningful measure of the operating performance of our ongoing business without the effects of unusual inventory write-downs and property plant and equipment and intangible asset impairment charges, allowance for doubtful of a receivable from a related party, litigation and restructuring costs, change in fair value of debenture conversion option, the settlement of purchase price and acquisition costs per share. The definition of this non-IFRS measure used by the Company may differ from that used by other companies.

Funds (used in) from operations means the amount of cash generated from operating activities before changes in non-cash working capital balances related to operations. This amount appears directly in the consolidated statements of cash flows of the Company. We consider funds (used in) from operations to be a key measure as it demonstrates the Company's ability to generate cash necessary for future growth and debt repayment.

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.

Working capital is a measure of liquid assets that is calculated by taking current assets and subtracting current liabilities. Given that the Company is currently indebted, we use it as an indicator of our financial efficiency and aim to maintain it at the lowest possible level.

Working capital ratio is calculated by dividing current assets by current liabilities.

Additional Information

Our common shares trade on the Toronto Stock Exchange (TSX) under the ticker symbol VNP. Additional information relating to the Company, including the Company's annual information form is available under the Company's profile on SEDAR at www.sedar.com.

Selected Data Information

The following table provides selected quarterly financial information for the years 2013 through to 2015.

(in thousands of United States dollars except per share amounts)	Q1	Q2	Q3	Q4	
Fiscal 2015					**Year to date**
Revenues	95,663	87,250	68,732	2	251,645
EBITDA[1]	3,406	(5,966)	(26,136)	2	(28,696)
Adjusted EBITDA[1]	270	1,963	1,052	2	3,285
Net (loss) earnings attributable to equity holders of 5N Plus	(1,949)	(20,463)	(32,171)	2	(54,583)
Basic (loss) earnings per share attributable to equity holders of 5N Plus	($0.02)	($0.24)	($0.38)	2	($0.65)
Net (loss) earnings	(1,951)	(20,464)	(32,171)	2	(54,586)
Basic (loss) earnings per share	($0.02)	($0.24)	($0.38)	2	($0.65)
Diluted earnings (loss) per share	($0.05)	($0.24)	($0.38)	2	($0.65)
Adjusted net (loss) earnings [1]	(2,472)	(6,125)	(5,652)	2	(14,249)
Basic adjusted net (loss) earnings per share[1]	($0,03)	($0,07)	($0,07)	2	($0.17)
Funds (used in) from operations[1]	(2,015)	(1,482)	(620)	2	(4,117)
Backlog[1]	142 days	137 days	134 days	2	134 days
Fiscal 2014					**Total**
Revenues	142,379	136,597	114,438	114,781	508,195
EBITDA[1]	11,178	11,524	12,721	4,021	39,444
Adjusted EBITDA[1]	10,501	10,816	8,071	5,657	35,045
Net earnings (loss) attributable to equity holders of 5N Plus	4,655	4,436	4,172	(2,451)	10,812
Basic earnings (loss) per share attributable to equity holders of 5N Plus	$0.06	$0,05	$0.05	($0.03)	$0.13
Net earnings (loss)	4,519	4,436	4,171	(2,453)	10,673
Basic earnings (loss) per share	$0.05	$0.05	$0.05	($0.03)	$0.13
Diluted earnings (loss) per share	$0.05	$0.05	($0.01)	($0.04)	$0.05
Adjusted net earnings [1]	4,916	4,303	170	1,247	10,636
Basic adjusted net earnings (loss) per share[1]	$0.06	$0.05	$-	$0.01	$0.13
Funds from operations[1]	6,806	5,774	982	4,030	17,592
Backlog[1]	120 days	100 days	109 days	122 days	122 days
Fiscal 2013					**Total**
Revenues	118,389	112,637	108,570	119,416	459,012
EBITDA[1]	12,121	38,008	6,926	6,848	63,903
Adjusted EBITDA[1]	10,115	6,543	5,775	7,942	30,375
Net earnings attributable to equity holders of 5N Plus	5,371	34,185	1,083	2,022	42,661
Basic earnings per share attributable to equity holders of 5N Plus	$0.06	$0.41	$0.01	$0,02	$0.51
Net earnings	5,538	34,281	1,323	1,638	42,780
Basic earnings per share	$0.07	$0.41	$0.02	$0.02	$0.51
Diluted earnings per share	$0.07	$0.41	$0.02	$0.02	$0.51
Adjusted net earnings [1]	6,296	959	1,517	2,068	10,840
Basic adjusted net earnings per share[1]	$0.08	$0.01	$0.02	$0.02	$0.13
Funds from operations[1]	4,608	1,560	4,822	9,043	20,033
Backlog[1]	128 days	124 days	112 days	130 days	130 days

[1] See Non-IFRS Measures
[2] Not available