



PRESS RELEASE

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5N Plus Reports Financial Results for the Third Quarter Ended September 30, 2016

Montreal, Québec, November 1, 2016 – 5N Plus Inc. (TSX:VNP) (“5N Plus”, the “Group” or the “Company”), the leading producer of specialty metal and chemical products, today reported financial results for the third quarter ended September 30, 2016. All amounts are expressed in U.S. dollars.

The Company completed a third quarter characterized by healthy demand for its products in an environment of moderate stability with respect to most commodity prices resulting in the best Adjusted EBITDA¹ quarterly performance since end of 2014. In addition, the Company continued to manage cash diligently, reaching its highest level of liquidity since early 2012 and lowest net debt position since the acquisition of MCP Group in 2011 and ending the quarter once again with a solid balance sheet and no usage of its credit facility.

- Adjusted EBITDA and EBITDA¹ reached \$6.8 million and \$2.1 million in Q3 2016 compared to \$1.1 million and (\$26.1) million in Q3 2015. The Adjusted EBITDA demonstrates improved profitability from the last six quarters accommodated by moderately stable commodity prices, and continued progress at improving the Company’s sales mix and reducing operating expenses.
- On September 12, 2016, the Company unveiled its strategic plan, dubbed “5N21”, with emphasis on significant improvement in profitability and reduction of earnings volatility. The newly designed plan utilizes three main pillars to achieve this goal: a) optimizing balance of contribution from upstream & downstream activities, b) extracting more value from core businesses and global assets, and c) delivering quality growth from both existing and future M&A opportunities.
- In support of 5N21 and specifically in line with extracting more value from core businesses and global assets, on September 29, 2016, the Company announced its intention to consolidate its operations at Wellingborough, U.K. with other sites within the Group. Moreover, the Company announced consolidation of its operations at DeForest-Wisconsin and Fairfield-Connecticut in the first half of 2017 into a newly updated and scaled facility. These initiatives will improve plant capacity utilization, reduce structural inventory, address marginal businesses, and increase share of value-added business. A provision of \$3.5 million associated with these initiatives was recorded during the third quarter with an expected EBITDA payback of two years, and an accelerated depreciation of \$1.8 million.
- Net debt¹ was further reduced during the quarter standing at \$20.1 million as at September 30, 2016 down from \$46.7 million one year earlier, following reduction of working capital¹ requirements and overall better performance.

¹ See Non-IFRS Measures

- Revenue for Q3 2016 reached \$55.5 million compared to \$68.7 million for the same quarter of 2015, impacted by significant decrease of underlying commodity prices over the course of 2015, while gross margin¹ for Q3 2016 improved to 26.2% compared to negative gross margin for the same period last year.
- Backlog¹ reached as at September 30, 2016 a level of 148 days of sales outstanding, lower than previous quarter following the renewal pattern of most contracts which generally occurs in the fourth quarter or the first quarter of the year. Bookings¹ in Q3 2016 reached 77 days compared to 86 days in Q2 2016 and 50 days in Q3 2015.
- On October 5, 2016, the Toronto Stock Exchange approved the Company's Normal Course Issuer Bid, enabling it to purchase for cancellation shares equal to 1.35% of the Company's public float.

Arjang (AJ) Roshan, President and Chief Executive Officer, said "After improvements in profitability in the first half of 2016, we continued to improve our operating performance in the third quarter of 2016 resulting in the best Adjusted EBITDA quarterly performance since 2014. Our performance during this period was supported by healthy demand across various products and favorable sales mix in an environment of moderate price stability with respect to the basket of metals we utilized in our products."

Mr. Roshan concluded, "During the third quarter, the demand for gallium based products showed a notable improvement after two quarters of lackluster performance, while the demand for nearly all other products remained at or above the same level as compared to the same period last year. We continued to exercise selectivity as the tenet of our business development which contributed to the favorable mix and improvement in gross margin as compared to last year. In addition, we continued to manage cash diligently, reaching our highest level of liquidity since early 2012 and lowest net debt position since the acquisition of MCP Group in 2011, ending the quarter once again with a solid balance sheet and no usage of our credit facility."

Webcast Information

5N Plus will host a conference call on Wednesday, November 2, 2016 at 8:00 am ET with financial analysts and institutional investors to discuss results of the quarter ended September 30, 2016. 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 November 9, 2016.

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 7262432.

Non-IFRS Measures

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.

Gross margin is a measure we use to monitor the sales contribution after paying cost of sales excluding depreciation of property, plant and equipment. We also expressed this measure in percentage of revenues by dividing the gross margin value by the total revenue.

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. We use it as an indicator of our overall financial position, and calculate it by taking our total debt, including the current portion and the cross-currency swap related to the convertible debenture, and subtracting cash and cash equivalents.

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.

About 5N Plus Inc.

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

Forward-Looking Statements and Disclaimer

This press release may contain forward-looking information within the meaning of applicable securities laws. All information and statements other than statements of historical facts contained in this press release are forward-looking information. Such statements and information may be identified by words such as “about”, “approximately”, “may”, “believes”, “expects”, “will”, “intends”, “should”, “plans”, “predicts”, “potential”, “projects”, “anticipates”, “estimates”, “continues” or similar words or the negative thereof or other comparable terminology. Forward-looking statements are based on the best estimates available to 5N Plus at this time and involve known and unknown risks, uncertainties and other factors that may cause 5N Plus’ actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. A description of the risks affecting 5N Plus’ business

and activities appears under the heading “Risk and Uncertainties” of 5N Plus’ 2015 MD&A dated February 23, 2016 and notes 11 and 12 of the unaudited condensed interim consolidated financial statements for the three and nine-month periods ended September 30, 2016 and 2015, available on SEDAR at www.sedar.com. No assurance can be given that any events anticipated by the forward-looking information in this press release will transpire or occur, or if any of them do so, what benefits that 5N Plus will derive therefrom. In particular, no assurance can be given as to the future financial performance of 5N Plus. The forward-looking information contained in this press release is made as of the date hereof and 5N Plus undertakes no obligation to publicly update such forward-looking information to reflect new information, subsequent or otherwise, unless required by applicable securities laws. The reader is warned against placing undue reliance on these forward-looking statements.

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5N PLUS INC.Condensed Interim Consolidated Statements of Financial Position
(in thousands of United States dollars) (unaudited)

	September 30, 2016	December 31, 2015
	\$	\$
Assets		
Current		
Cash and cash equivalents	23,247	8,816
Accounts receivable	29,028	37,325
Inventories	82,893	89,052
Income tax receivable	3,421	2,632
Other current assets	2,067	1,820
Total current assets	140,656	139,645
Property, plant and equipment	60,253	67,646
Intangible assets	10,009	7,315
Deferred tax assets	3,763	3,478
Investment accounted for using the equity method	825	310
Derivative financial assets	1,042	-
Other assets	1,271	2,343
Total non-current assets	77,163	81,092
Total assets	217,819	220,737
Liabilities		
Current		
Trade and accrued liabilities	57,251	38,744
Income tax payable	6,169	6,598
Current portion of long-term debt	338	435
Total current liabilities	63,758	45,777
Long-term debt	-	1,512
Convertible debentures	44,078	40,288
Deferred tax liabilities	725	668
Employee benefit plan obligation	16,319	13,934
Derivative financial liabilities	84	1,530
Other liabilities	4,570	20,403
Total non-current liabilities	65,776	78,335
Total liabilities	129,534	124,112
Equity		
Equity holders of 5N Plus Inc.	88,293	96,632
Non-controlling interests	(8)	(7)
Total equity	88,285	96,625
Total liabilities and equity	217,819	220,737

5N PLUS INC.

Condensed Interim Consolidated Statements of Earnings (Loss)

For the three and nine-month periods ended September 30

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

	Three months		Nine months	
	2016	2015	2016	2015
	\$	\$	\$	\$
Revenue	55,491	68,732	176,794	251,645
Cost of sales	44,583	88,923	145,235	265,469
Selling, general and administrative expenses	6,640	7,443	19,791	21,186
Other expenses	6,023	3,964	10,589	18,291
Share of loss (gain) from joint ventures	37	(36)	(37)	(15)
	57,283	100,294	175,578	304,931
Operating (loss) earnings	(1,792)	(31,562)	1,216	(53,286)
Finance expense				
Interest on long-term debt	838	1,187	2,594	3,575
Imputed interest and other interest expense	988	938	3,796	3,380
Changes in fair value of debenture conversion option	(258)	(194)	(6)	(1,840)
Foreign exchange and derivative loss (gain)	93	(2,810)	(467)	(2,871)
	1,661	(879)	5,917	2,244
Loss before income taxes	(3,453)	(30,683)	(4,701)	(55,530)
Income tax expense (recovery)				
Current	539	(417)	1,585	(389)
Deferred	240	1,905	(232)	(555)
	779	1,488	1,353	(944)
Net loss	(4,232)	(32,171)	(6,054)	(54,586)
Attributable to:				
Equity holders of 5N Plus Inc.	(4,232)	(32,171)	(6,053)	(54,583)
Non-controlling interests	-	-	(1)	(3)
	(4,232)	(32,171)	(6,054)	(54,586)
Loss per share attributable to equity holders of 5N Plus Inc.	(0.05)	(0.38)	(0.07)	(0.65)
Basic loss per share	(0.05)	(0.38)	(0.07)	(0.65)
Diluted loss per share	(0.05)	(0.38)	(0.07)	(0.65)

5N PLUS INC.

(Figures in thousands of United States dollars)

Funds from Operations	Q3 2016	Q3 2015	YTD 2016	YTD 2015
	\$	\$	\$	\$
Funds from (used in) operations¹	238	(620)	7,230	(4,117)
Net acquisition of PPE and intangible assets	(1,368)	(5,081)	(4,811)	(16,648)
Working capital changes	9,160	14,460	13,026	51,994
Others	(691)	2,930	(710)	6,086
	7,101	12,309	7,505	41,432
Total movement in net debt¹	7,339	11,689	14,735	37,315
Net debt ¹ , beginning of period	(27,466)	(58,381)	(34,862)	(84,007)
Net debt¹, end of period	(20,127)	(46,692)	(20,127)	(46,692)

Revenue by Segment and Gross Margin	Q3 2016	Q3 2015	YTD 2016	YTD 2015
	\$	\$	\$	\$
Electronic Materials	20,431	24,999	59,705	85,432
Eco-Friendly Materials	35,060	43,733	117,089	166,213
Total revenue	55,491	68,732	176,794	251,645
Cost of sales	(44,583)	(88,923)	(145,235)	(265,469)
Depreciation on property, plant and equipment	3,606	2,341	8,307	6,318
Gross margin¹	14,514	(17,850)	39,866	(7,506)
Gross margin percentage¹	26.2%	(26.0%)	22.5%	(3.0%)

EBITDA and Adjusted EBITDA	Q3 2016	Q3 2015	YTD 2016	YTD 2015
	\$	\$	\$	\$
Revenue	55,491	68,732	176,794	251,645
Operating expenses*	(48,675)	(67,680)	(161,014)	(248,360)
Adjusted EBITDA ¹	6,816	1,052	15,780	3,285
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	(4,915)	(500)	(5,945)	(500)
Change in fair value of debenture conversion option	258	194	6	1,840
Foreign exchange and derivative gain (loss)	(93)	2,810	467	2,871
EBITDA ¹	2,066	(26,136)	10,308	(28,696)
Interest on long-term debt, imputed interest and other interest expense	1,826	2,125	6,390	6,955
Depreciation and amortization	3,693	2,422	8,619	19,879
Loss before income taxes	(3,453)	(30,683)	(4,701)	(55,530)

*Excluding litigation and restructuring costs and depreciation and amortization.

Backlog and Bookings	BACKLOG¹			BOOKINGS¹		
	Q3 2016	Q2 2016	Q3 2015	Q3 2016	Q2 2016	Q3 2015
	\$	\$	\$	\$	\$	\$
Electronic Materials	40,929	49,790	54,965	11,570	21,015	11,596
Eco-Friendly Materials	49,046	48,825	45,603	35,281	33,362	26,355
Total	89,975	98,615	100,568	46,851	54,377	37,951

<i>(number of days based on annualized revenues) *</i>	BACKLOG¹			BOOKINGS¹		
	Q3 2016	Q2 2016	Q3 2015	Q3 2016	Q2 2016	Q3 2015
Electronic Materials	183	231	201	52	97	42
Eco-Friendly Materials	128	118	95	92	81	55
Weighted average	148	157	134	77	86	50

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

¹ See Non-IFRS Measures