5N PLUS

PRESS RELEASE

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5N Plus Reports Financial Results for the Third Quarter Ended September 30, 2019

Montreal, Québec, November 5, 2019 – 5N Plus Inc. (TSX:VNP) ("5N Plus" or the "Company"), a leading global producer of engineered materials and specialty chemicals, today reported financial results for the third quarter ended September 30, 2019. All amounts are expressed in U.S. dollars.

5N Plus focused much of its attention on operating activities during the third quarter of 2019, supported by a portfolio of investments initiated in the second quarter of 2019 totaling more than $10 million and aimed at enhancing process technologies. The Company has made notable progress with respect to mass-scaling certain products, especially those requiring more value-added transformation fostered by the Company's new business model.

During the quarter, the Company reached important commercial milestones, securing a number of competitive supply agreements linked with its growth initiatives in Advanced Micro Powders and Security, Aerospace, Sensing & Imaging. These supply awards, some of which include new customers who are considered industry leaders, confirm the uniqueness of the products and technologies provided by 5N Plus and supports the Company's entry into these new markets.

With Bismuth metal notations declining to levels not seen in decades, 5N Plus continues to face significant headwinds impacting its financial performance. This being said, under the Company's new business model such impact is less significant and is transitory in nature.

In the second quarter of 2019, the Company announced it had significantly reduced refining and recycling activities caused by production suspension of complex metal-containing materials at its suppliers' facilities which serve as input material for the Company's refining and recycling plants. In the third quarter of 2019, the Company's recycling and refining activities operated sub-optimally resulting in notably lower contribution to the Company's performance.

For the third quarter of 2019 and year-to-date, the Company reported the following:

- Adjusted EBITDA[1,2] and EBITDA[1,2] for the third quarter of 2019 reached $6.0 million and $5.9 million compared to $8.6 million and $7.8 million during the same quarter of 2018, negatively impacted by adverse movements in the underlying metal notations, recent deterioration of the contribution from our upstream activities due to current metal market conditions, along with the application of the most recent commercial terms from the multi-year supply and services contracts renewal within the Renewable Energy sector.

[1] See Non-IFRS Measures

[2] On January 1, 2019, the Company applied IFRS 16 *Leases* retrospectively with no restatement of comparative information, including non-IFRS measures and tables, as allowed by the Standard. This positively impacted the current year's Adjusted EBITDA and EBITDA when comparing them to the prior year's amounts (see Accounting Policies and Changes section in the MD&A for more details).

- Adjusted EBITDA[1,2] and EBITDA[1,2] for the nine-month period ended September 30, 2019 reached $17.4 million and $15.4 million compared to $25.4 million and $23.4 million during the same period in 2018, impacted by factors mentioned above and production challenges associated with the new business activities.

- Revenue for the third quarter of 2019 reached $49.6 million compared to $53.4 million for the prior year third quarter, mostly impacted by adverse movements in the underlying metal notations.

- Net earnings for the third quarter of 2019 were $1.0 million or $0.01 per share compared to $3.5 million or $0.04 per share for the same period last year.

- Annualized Return on Capital Employed (ROCE)[1] reached 8.7% for the third quarter of 2019, largely influenced by the lower Adjusted EBIT[1,2] performance.

- Net debt[1] stood at $36.9 million as of September 30, 2019 from $21.9 million for the same period last year, impacted by additional working capital and to a lesser degree participation in the normal course issuer bid ("NCIB") plan.

- As of September 30, 2019, 5N Plus has purchased and cancelled 1,696,733 of the Company's common shares under the NCIB plan.

- As of September 30, 2019, the Backlog[1] increased to a level of 215 days of annualized revenue compared to 201 days in the second quarter of 2019 and 181 days in third quarter of 2018. Bookings[1] in the third quarter of 2019 reached 102 days compared to 86 days in the second quarter of 2019 and the prior year third quarter.

- Considering the continued adverse impact from the metal markets and despite addressing much of the production related challenges which impeded the Company's progress over the past few quarters, Adjusted EBITDA for fiscal year 2019 is expected to close between $22 to $24 million.

Arjang Roshan, President and Chief Executive Officer, said "While the adverse movements in the metal markets are making 2019 a challenging year for 5N Plus, we are encouraged by the resiliency and efficacy of our business model which is enabling 5N Plus to significantly mitigate the adverse impacts and continue the investments on the Company's future." Mr. Roshan added "5N Plus continues to focus on growing businesses with higher value-added activities and proportionally lowering metal content which should further reduce the Company's exposure to movements in the metal markets and make such impact transitory in nature." Mr. Roshan concluded "As we continue to gain traction with our business model our focus is placed on improving competitiveness in our core businesses and increasing penetration in our growth markets."

Webcast Information

5N Plus will host a conference call on Wednesday, November 6, 2019 at 8:00 am Eastern Standard Time to discuss results of the third quarter ended September 30, 2019. All interested parties are invited to participate in the live broadcast on the Company's website at www.5nplus.com. A replay of the webcast and a recording of the Q&A will be available until November 13, 2019.

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 7359037.

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Non-IFRS Measures

EBITDA means net earnings (loss) before interest expenses, 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, share-based compensation expense, impairment of non-current assets, litigation and restructuring costs (income), 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.

Gross margin is a measure we use to monitor the sales contribution after paying cost of sales excluding depreciation and impairment inventory charge. 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, subtracting cash and cash equivalents, included as debt is the current portion and the cross-currency swap related to the convertible debentures, any newly introduced IFRS 16 reporting measures in reference to lease liabilities is excluded from the calculation.

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 are 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.

Return on Capital Employed (ROCE) is a non-IFRS financial measure, calculated by dividing the annualized Adjusted EBIT by capital employed at the end of the period. Adjusted EBIT is calculated as the Adjusted EBITDA less depreciation of PPE and amortization of intangible assets (adjusted for accelerated depreciation charge, if any). Capital employed is the sum of the accounts receivable, the inventory, the PPE, the goodwill and intangibles less trade and accrued liabilities (adjusted for exceptional items). We use ROCE to measure the return on capital employed, whether the financing is through equity or debt. In our view, this measure provides useful information to determine if capital invested in the Company yields competitive returns. The usefulness of ROCE is limited by the fact that it is a ratio and not providing information as to the absolute amount of our net income, debt or equity. It also excludes certain items from the calculation and other companies may use a similar measure but calculate it differently.

About 5N Plus Inc.

5N Plus is a leading global producer of engineered materials and specialty chemicals with integrated recycling and refining assets to manage the sustainability of its business model. The Company is headquartered in Montreal, Québec, Canada and operates R&D, manufacturing and commercial centers in several locations in Europe, the Americas and Asia. 5N Plus deploys a range of proprietary and proven technologies to manufacture products which are used as enabling precursors by its customers in a number of advanced electronics, optoelectronics, pharmaceutical, health, renewable energy and industrial applications. Many of the materials produced by 5N Plus are critical for the functionality and performance of the products and systems produced by its customers, many of whom are leaders within their industry.

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’ 2018 MD&A dated February 26, 2019 and note 12 of the unaudited condensed interim consolidated financial statements for the three and nine-month periods ended September 30, 2019 and 2018 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.

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in thousands of United States dollars) (unaudited)

	September 30 2019	December 31 2018
	$	$
Assets		
Current		
Cash and cash equivalents	**18,182**	26,724
Accounts receivable	**30,077**	22,984
Inventories	**85,931**	96,889
Income tax receivable	**5,543**	4,891
Other current assets	**6,699**	7,797
Total current assets	**146,432**	159,285
Property, plant and equipment	**57,517**	57,297
Right-of-use assets	**6,330**	-
Intangible assets	**11,358**	11,199
Deferred tax assets	**8,299**	7,872
Other assets	**1,220**	1,404
Total non-current assets	**84,724**	77,772
Total assets	**231,156**	237,057
Liabilities		
Current		
Trade and accrued liabilities	**32,852**	39,249
Income tax payable	**4,271**	7,732
Derivative financial liabilities	**-**	197
Current portion of long-term debt	**105**	175
Current portion of convertible debentures	**-**	18,571
Current portion of lease liabilities	**1,526**	-
Total current liabilities	**38,754**	65,924
Long-term debt	**55,000**	30,000
Deferred tax liabilities	**266**	266
Employee benefit plan obligation	**15,722**	14,619
Lease liabilities	**4,904**	-
Other liabilities	**195**	6,545
Total non-current liabilities	**76,087**	51,430
Total liabilities	**114,841**	117,354
Equity	**116,315**	119,703
Total liabilities and equity	**231,156**	237,057

5N PLUS INC.

INTERIM CONSOLIDATED STATEMENTS OF (LOSS) EARNINGS

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	
	2019	2018	**2019**	2018
	$	$	**$**	$
Revenue	**49,554**	53,379	**151,257**	170,285
Cost of sales	**40,141**	40,335	**123,992**	131,145
Selling, general and administrative expenses	**5,242**	5,723	**16,234**	19,227
Other expenses (income), net	**1,276**	1,215	**3,963**	2,411
Share of loss from joint ventures	**-**	-	**-**	22
	46,659	47,273	**144,189**	152,805
Operating earnings	**2,895**	6,106	**7,068**	17,480
Financial expense				
Interest on long-term debt	**747**	615	**2,192**	2,240
Imputed interest and other interest expense	**195**	286	**1,098**	3,169
Foreign exchange and derivative loss (gain)	**(472)**	208	**(49)**	389
	470	1,109	**3,241**	5,798
Earnings before income taxes	**2,425**	4,997	**3,827**	11,682
Income tax expense (recovery)				
Current	**854**	1,330	**2,001**	3,803
Deferred	**541**	209	**187**	(2,047)
	1,395	1,539	**2,188**	1,756
Net earnings	**1,030**	3,458	**1,639**	9,926
Attributable to:				
Equity holders of 5N Plus Inc.	**1,030**	3,457	**1,639**	9,925
Non-controlling interests	**-**	1	**-**	1
	1,030	3,458	**1, 639**	9,926
Earnings per share attributable to equity holders of 5N Plus Inc.	**0.01**	0.04	**0.02**	0.12
Basic earnings per share	**0.01**	0.04	**0.02**	0.12
Diluted earnings per share	**0.01**	0.04	**0.02**	0.12

5N PLUS INC.
(in thousands of United States dollars)

Revenue by Segment and Gross Margin	**Q3 2019**	Q3 2018	**YTD 2019**	YTD 2018
	$	$	**$**	$
Electronic Materials	**21,603**	19,605	**60,764**	61,646
Eco-Friendly Materials	**27,951**	33,774	**90,493**	108,639
Total revenue	**49,554**	53,379	**151,257**	170,285
Cost of sales	**(40,141)**	(40,335)	**(123,992)**	(131,145)
Depreciation included in cost of sales	**2,227**	1,666	**7,474**	5,706
Gross margin[1]	**11,640**	14,710	**34,739**	44,846
Gross margin percentage[1]	**23.5%**	27.6%	**23.0%**	26.3%

Adjusted EBITDA and EBITDA	**Q3 2019**	Q3 2018	**YTD 2019**	YTD 2018
	$	$	**$**	$
Revenue	**49,554**	53,379	**151,257**	170,285
Adjusted operating expenses[1,2]*	**(43,580)**	(44,798)	**(133,809)**	(144,847)
Adjusted EBITDA[1,2]	**5,974**	8,581	**17,448**	25,438
Impairment of inventory	**-**	-	**-**	-
Share-based compensation expense	**(586)**	(788)	**(2,128)**	(2,577)
Litigation and restructuring income	**-**	(138)	**-**	450
Gain on disposal of property, plant and equipment (PPE)	**-**	325	**-**	510
Foreign exchange and derivative (loss) gain	**472**	(208)	**49**	(389)
EBITDA[1,2]	**5,860**	7,772	**15,369**	23,432
Interest on long-term debt, imputed interest and other interest expense	**942**	901	**3,290**	5,409
Depreciation and amortization	**2,493**	1,874	**8,252**	6,341
Earnings before income taxes	**2,425**	4,997	**3,827**	11,682
Income tax expense (recovery)				
Current	**854**	1,330	**2,001**	3,803
Deferred	**541**	209	**187**	(2,047)
	1,395	1,539	**2,188**	1,756
Net earnings	**1,030**	3,458	**1,639**	9,926
Basic earnings per share	**$0.01**	$0.04	**$0.02**	$0.12
Diluted earnings per share	**$0.01**	$0.04	**$0.02**	$0.12

**Excluding share-based compensation expense, litigation and restructuring income, gain on disposal of property, plant and equipment, impairment of non-current assets and depreciation and amortization.*

Net Debt	**As at September 30, 2019**	As at December 31, 2018
	$	$
Bank indebtedness	**-**	-
Long-term debt including current portion	**55,105**	30,175
Convertible debentures	**-**	18,571
Cross-currency swap	**-**	197
Total Debt[1]	**55,105**	48,943
Cash and cash equivalents	**(18,182)**	(26,724)
Net Debt[1]	**36,923**	22,219

1 See Non-IFRS Measures

2 On January 1, 2019, the Company applied IFRS 16 *Leases* retrospectively with no restatement of comparative information, including non-IFRS measures and tables, as allowed by the Standard. This positively impacted the current year's Adjusted EBITDA and EBITDA when comparing them to the prior year's amounts (see Accounting Policies and Changes section in the MD&A for more details).