5N PLUS

PRESS RELEASE

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5N Plus Reports Financial Results for the Second Quarter Ended June 30, 2017

Montreal, Québec, August 1, 2017 – 5N Plus Inc. (TSX:VNP), the leading producer of specialty metal and chemical products, today reported financial results for the second quarter ended June 30, 2017. All amounts are expressed in U.S. dollars.

Over the past quarter, 5N Plus has continued to grow the Company's profitability and further strengthen its already sound balance sheet. Given the introduction of the Strategic Plan 5N21 ("5N21") last summer and immediate implementation thereafter, these results demonstrate the initial impact of the plan, particularly with respect to the expansion of margins and delivery of consistent and competitive returns on capital employed (ROCE) [1], independent of metal notations.

- Adjusted EBITDA[1] and EBITDA[1] for the second quarter of 2017 reached $6.8 million and $6.3 million compared to $4.7 million and $5.4 million during the same quarter of 2016. The Adjusted EBITDA and EBITDA reflect profitability growth driven by enhanced gross margins[1] surpassing the previous quarter and the same quarter last year along with sustainable market demand for most products and overall performance of operating activities.

- Net earnings for the second quarter of 2017 reached $3.4 million or $0.04 per share compared to $0.1 million for the same period last year, year-to date earnings per share reaching $0.09 compared to a loss of $0.02 per share for the same period of 2016.

- Revenue for Q2 2017 reached $56.2 million compared to $57.4 million for Q2 2016 impacted by selectivity based on enlarging the value-added portion as a percentage of revenue versus pass-through portion resulting in gross margin expansion reaching 28.5% in Q2 2017 compared to 22.6% in Q2 2016, and year-to date gross margin reaching 25.7% compared to 20.9% for the same period of last year.

- While the price of the basket of metals utilized as consumable in the Company's products remained near low levels in the recent history; ROCE improved to 12% during the first half of 2017, the highest level since the acquisition of MCP and consistent with the Company's plan to deliver competitive returns independent of metal notations.

- As per Management's guidance in the last earnings call, in Q2 2017, Eco-Friendly Materials reconciled the earning gap in Q1 2017 versus Q1 2016 and went further to register first-half profitability ahead of the 2016 performance for the same period with Adjusted EBITDA for this segment in the first semester of 2017 reaching $8.0 million as compared to $7.6 million for the same period last year.

[1] See Non-IFRS Measures

- Net debt[1] stood at $14.1 million as at June 30, 2017 lower by $4.9 million when compared to December 31, 2016, with liquidity maintained at a very high level and investments in line with 5N21.

- As at June 30, 2017, the backlog[1] reached a level of 135 days of outstanding sales, higher than the previous quarter. Bookings[1] in Q2 2017 reached 87 days compared to 97 days in Q1 2017 and 86 days in Q2 2016.

- The Company reaffirmed its guidance for 2017 as per 5N21.

Arjang Roshan, President and Chief Executive Officer, said "We are pleased with our quarterly results and year-to-date performance which is characterized by substantial growth in net earnings based on healthy demand for our products and supported by growth in percentage gross margins, unrivaled since 2010."

Mr. Roshan added, "Nearly a year after implementing 5N21 and independent of stagnate metal markets, substantial improvements in both earnings and return on capital employed is being delivered which is a testimony of progress toward our ultimate goal of delivering competitive returns, independent of events in the metal markets."

Mr. Roshan concluded, "In the short term, our aim will be to deliver the year in line with our guidance while we continue to make progress with the implementation of our strategic plan."

Webcast Information
5N Plus will host a conference call on Wednesday, August 2, 2017 at 8:00 am ET with financial analysts and institutional investors to discuss results of the second quarter ended June 30, 2017. All interested parties are invited to participate in the live broadcast on the Company's Web site at www.5nplus.com. A replay of the webcast and a recording of the Q&A will be available until August 9, 2017.

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 61539101.

Non-IFRS Measures
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.

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[1] See 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.

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 and amortization (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 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’ 2016 MD&A dated February 21, 2017 and notes 11 and 12 of the unaudited condensed interim consolidated financial statements for the three and six-month periods ended June 30, 2017 and 2016, 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.

Contact:

Jean Mayer
Vice President, Legal Affairs
also in charge of investor relations
5N Plus Inc.
(514) 856-0644 x6178
invest@5nplus.com

5N PLUS INC.

Condensed Interim Consolidated Statements of Financial Position

(in thousands of United States dollars) (unaudited)

	June 30, 2017	December 31, 2016
	$	$
Assets		
Current		
Cash and cash equivalents	**30,375**	24,301
Accounts receivable	**33,145**	29,799
Inventories	**78,290**	80,309
Income tax receivable	**6,131**	6,819
Other current assets	**5,115**	2,831
Total current assets	**153,056**	144,059
Property, plant and equipment	**58,650**	59,945
Intangible assets	**12,047**	11,109
Deferred tax assets	**1,806**	1,883
Investment accounted for using the equity method	**677**	779
Derivative financial assets	**1,821**	189
Other assets	**1,003**	1,093
Total non-current assets	**76,004**	74,998
Total assets	**229,060**	219,057
Liabilities		
Current		
Trade and accrued liabilities	**54,769**	57,381
Income tax payable	**9,557**	8,422
Current portion of long-term debt	**263**	325
Total current liabilities	**64,589**	66,128
Convertible debentures	**46,027**	43,157
Deferred tax liabilities	**484**	715
Employee benefit plan obligation	**15,235**	14,813
Derivative financial liabilities	**364**	68
Other liabilities	**5,648**	5,662
Total non-current liabilities	**67,758**	64,415
Total liabilities	**132,347**	130,543
Equity		
Equity holders of 5N Plus Inc.	**96,723**	88,522
Non-controlling interests	**(10)**	(8)
Total equity	**96,713**	88,514
Total liabilities and equity	**229,060**	219,057

5N PLUS INC.

Condensed Interim Consolidated Statements of Earnings (Loss)

For the three and six-month periods ended June 30

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

	Three months		Six months	
	2017	2016	**2017**	2016
	$	$	**$**	$
Revenue	**56,229**	57,435	**117,099**	121,303
Cost of sales	**42,049**	46,913	**90,809**	100,652
Selling, general and administrative expenses	**6,434**	6,773	**13,473**	13,151
Other expenses	**2,768**	1,516	**44**	4,566
Share of loss (gain) from joint ventures	**113**	39	**121**	(74)
	51,364	55,241	**104,447**	118,295
Operating earnings	**4,865**	2,194	**12,652**	3,008
Financial expense				
Interest on long-term debt	**822**	876	**1,637**	1,756
Imputed interest and other interest expense	**602**	989	**1,592**	2,808
Changes in fair value of debenture conversion option	**316**	(57)	**294**	252
Foreign exchange and derivative loss (gain)	**182**	(587)	**359**	(560)
	1,922	1,221	**3,882**	4,256
Earnings (loss) before income taxes	**2,943**	973	**8,770**	(1,248)
Income tax (recovery) expense				
Current	**992**	347	**1,310**	1,046
Deferred	**(1,464)**	539	**(108)**	(472)
	(472)	886	**1,202**	574
Net earnings (loss)	**3,415**	87	**7,568**	(1,822)
Attributable to:				
Equity holders of 5N Plus Inc.	**3,416**	86	**7,570**	(1,821)
Non-controlling interests	**(1)**	1	**(2)**	(1)
	3,415	87	**7,568**	(1,822)
Earnings (loss) per share attributable to equity holders of 5N Plus Inc.	**0.04**	-	**0.09**	(0.02)
Basic earning (loss) per share	**0.04**	-	**0.09**	(0.02)
Diluted earnings (loss) per share	**0.04**	-	**0.09**	(0.02)

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

Revenue by Segment and Gross Margin	**Q2 2017**	Q2 2016	**YTD 2017**	YTD 2016
	$	$	**$**	$
Electronic Materials	**18,566**	19,706	**37,905**	39,274
Eco-Friendly Materials	**37,663**	37,729	**79,194**	82,029
Total revenue	**56,229**	57,435	**117,099**	121,303
Cost of sales	**(42,049)**	(46,913)	**(90,809)**	(100,652)
Depreciation on property, plant and equipment (PPE)	**1,867**	2,455	**3,840**	4,701
Gross margin[1]	**16,047**	12,977	**30,130**	25,352
Gross margin percentage[1]	**28.5%**	22.6%	**25.7%**	20.9%

Adjusted EBITDA and EBITDA	**Q2 2017**	**Q2 2016**	**YTD 2017**	YTD 2016
	$	**$**	**$**	$
Revenue	**56,229**	**57,435**	**117,099**	121,303
Adjusted operating expenses[1] *	**(49,390)**	**(52,721)**	**(104,188)**	(112,339)
Adjusted EBITDA[1]	**6,839**	**4,714**	**12,911**	8,964
Impairment of inventory	**-**	**-**	**-**	-
Gain on disposal of property, plant and equipment	**-**	**-**	**390**	-
Litigation and restructuring income (costs)	**-**	**-**	**3,368**	(1,030)
Change in fair value of debenture conversion option	**(316)**	**57**	**(294)**	(252)
Foreign exchange and derivative (loss) gain	**(182)**	**587**	**(359)**	560
EBITDA[1]	**6,341**	**5,358**	**16,016**	8,242
Interest on long-term debt, imputed interest and other interest expense	**1,424**	**1,865**	**3,229**	4,564
Depreciation and amortization	**1,974**	**2,520**	**4,017**	4,926
Earnings (loss) before income taxes	**2,943**	**973**	**8,770**	(1,248)
Income tax (recovery) expense				
Current	**992**	**347**	**1,310**	1,046
Deferred	**(1,464)**	**539**	**(108)**	(472)
	(472)	**886**	**1,202**	574
Net earnings (loss)	**3,415**	**87**	**7,568**	(1,822)

**Excluding litigation and restructuring (income) costs, gain on disposal of property, plant and equipment and depreciation and amortization.*

Net Debt	**As at June 30, 2017**	As at December 31, 2016
	$	$
Bank indebtedness	**-**	-
Long-term debt including current portion	**263**	325
Convertible debentures	**46,027**	43,157
Cross-currency swap	**(1,821)**	(189)
Total Debt	**44,469**	43,293
Cash and cash equivalents	**(30,375)**	(24,301)
Net Debt[1]	**14,094**	18,992

[1] See Non-IFRS Measures