5N PLUS INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TAKE NOTICE that an Annual and Special Meeting of shareholders (the "**Meeting**") of 5N PLUS INC. (the "**Corporation**") will be held:

Place: Saint-James Club
1145 Union Avenue
Montreal, Québec

Date: October 6, 2011

Time: 2:00 p.m.

The purposes of the Meeting are to:

1. Receive and consider the consolidated financial statements of the Corporation for the fiscal year ended May 31, 2011 and the auditors' report thereon;

2. Elect directors;

3. Appoint auditors and authorize the directors to fix their remuneration;

4. Consider, and if deemed advisable to adopt, a resolution in the form annexed as Schedule A to the Management Proxy Circular, ratifying, confirming and approving the 2011 Stock Option Plan of the Corporation; and

5. Transact such other business as may properly be brought before the Meeting.

If you are unable to attend the Meeting in person, please date, sign and return the enclosed form of proxy. Proxies to be used at the Meeting must be deposited with Computershare Investor Services Inc. (Attention: Proxy Department), 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1 prior to 5:00 p.m. on October 4, 2011 or with the Secretary of the Corporation before the commencement of the Meeting or at any adjournment thereof.

DATED at Montreal, Québec
September 6, 2011

BY ORDER OF THE BOARD OF DIRECTORS

(signed) Jacques L'Écuyer

Jacques L'Écuyer
President and Chief Executive Officer

MANAGEMENT PROXY CIRCULAR

SOLICITATION OF PROXIES BY MANAGEMENT

This Management Proxy Circular is furnished in connection with the solicitation by the management of 5N Plus Inc. (the "Corporation") of proxies to be used at the Annual and Special Meeting of shareholders (the "Meeting") of the Corporation to be held at the time and place and for the purposes set forth in the Notice of Meeting and all adjournments thereof. Except as otherwise stated, the information contained herein is given as of September 6, 2011. The solicitation will be made primarily by mail. However, officers and employees of the Corporation may also solicit proxies by telephone, telecopier, e-mail or in person. The total cost of solicitation of proxies will be borne by the Corporation.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are directors and officers of the Corporation. **Each shareholder is entitled to appoint a person, who need not be a shareholder, to represent him or her at the Meeting other than those whose names are printed on the accompanying form of proxy by inserting such other person's name in the blank space provided in the form of proxy and signing the form of proxy or by completing and signing another proper form of proxy.** To be valid, the duly-completed form of proxy must be deposited at the offices of Computershare Investor Services Inc. (Attention: Proxy Department), 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1 prior to 5:00 p.m. on October 4, 2011 or with the Secretary of the Corporation before the commencement of the Meeting or at any adjournment thereof. The instrument appointing a proxy-holder must be executed by the shareholder or by his attorney authorized in writing or, if the shareholder is a corporate body, by its authorized officer or officers.

A shareholder who has given a proxy may revoke it, as to any motion on which a vote has not already been cast pursuant to the authority conferred by it, by an instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. The revocation of a proxy, in order to be acted upon, must be deposited with Computershare Investor Services Inc. (Attention: Proxy Department), 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1 prior to 5:00 p.m. on October 4, 2011 or with the Secretary of the Corporation before the commencement of the Meeting or at any adjournment thereof.

EXERCISE OF DISCRETION BY PROXIES

In the absence of any direction to the contrary, shares represented by properly-executed proxies in favour of the persons designated in the enclosed form of proxy will be voted for the: (i) election of directors; (ii) appointment of auditors; and (iii) resolution ratifying, confirming and approving the 2011 Stock Option Plan (the "2011 Plan"), as stated under such headings in this Management Proxy Circular. Instructions with respect to voting will be respected by the persons designated in the enclosed form of proxy. With respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters that may properly come before the Meeting, such shares will be voted by the persons so designated in their discretion. At the time of printing this Management Proxy Circular, management of the Corporation knows of no such amendments, variations or other matters.

NON-REGISTERED SHAREHOLDERS

Only registered shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, shares beneficially owned by a non-registered shareholder (a "**Non-Registered Holder**") are registered either: (i) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of the common shares (such as securities dealers or brokers, banks, trust companies, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans) or (ii) in the name of a clearing agency of which the Intermediary is a participant. In accordance with National Instrument 54-101 of the Canadian Securities Administrators, entitled "Communication with Beneficial Owners of Securities of a Reporting Issuer", the Corporation has distributed copies of the Notice of Meeting and this Management Proxy Circular (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for distribution to Non-Registered Holders. Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive it. Intermediaries often use service companies to forward Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive this Management Proxy Circular will either:

(a) typically, be provided with a computerized form (often called a "**voting instruction form**") which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow. In order for the applicable computerized form to validly constitute a voting instruction form, the Non-Registered Holder must properly complete and sign the form and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or service company. In certain cases, the Non-Registered Holder may provide such voting instructions to the Intermediary or its service company through the Internet or through a toll-free telephone number; or

(b) less commonly, be given a proxy form which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. In this case, the Non-Registered Holder who wishes to submit a proxy should properly complete the proxy form and submit it to Computershare Investor Services Inc. (Attention: Proxy Department), 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1.

In either case, the purpose of these procedures is to permit Non-Registered Holders to direct the voting of the common shares which they beneficially own.

Should a Non-Registered Holder who receives a voting instruction form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should print his or her own name, or that of such other person, on the voting instruction form and return it to the Intermediary or its service company. Should a Non-Registered Holder who receives a proxy form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons set out in the proxy form and insert the name of the Non-Registered Holder or such other person in the blank space provided and submit it to Computershare Investor Services Inc. at the address above mentioned.

In all cases, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when, where and by what means the voting instruction form or proxy form must be delivered.

A Non-Registered Holder may revoke voting instructions which have been given to an Intermediary at any time by written notice to the Intermediary.

VOTING SHARES

As at September 6, 2011, there were 70,940,778 common shares of the Corporation issued and outstanding. Each common share entitles the holder thereof to one vote. The Corporation has fixed August 31, 2011 as the record date (the "**Record Date**") for the purpose of determining shareholders entitled to receive notice of the Meeting. Pursuant to the *Canada Business Corporations Act*, the Corporation is required to prepare, no later than ten days after the Record Date, an alphabetical list of shareholders entitled to vote as of the Record Date that shows the number of shares held by each shareholder. A shareholder whose name appears on the list referred to above is entitled to vote the shares shown opposite his or her name at the Meeting. The list of shareholders is available for inspection during normal business hours at the head office of the Corporation, 4385 Garand, Montreal, Québec H4R 2B4 and at the Meeting.

PRINCIPAL SHAREHOLDERS

As at September 6, 2011, to the best knowledge of the Corporation, the following is the only person who beneficially owned, directly or indirectly, or exercised control or direction over, more than 10% of the common shares of the Corporation:

Name and place of residence	Number of shares held	Percentage
Jacques L'Écuyer(1).. Montreal, Québec, Canada	16,312,188	23%

(1) The information is taken from the SEDI website at www.sedi.ca, on September 6, 2011. The information taken from the SEDI website is not within the direct knowledge of the Corporation.

ELECTION OF DIRECTORS

The Board of Directors currently consists of six directors. The persons named in the enclosed form of proxy intend to vote for the election of the seven nominees whose names are set forth below. Each director will hold office until the next annual meeting of shareholders or until the election of his successor, unless his office is vacated earlier in accordance with the by-laws of the Corporation. All of the persons named in the table below are currently directors of the Corporation, with the exception of Laurent Raskin who is the Executive Vice President, Business Development of the Corporation.

The following table sets out the name and municipality of residence of each of the persons proposed to be nominated for election as director, all other positions and offices with the Corporation now held by such person, his principal occupation, the year in which he first became a director of the Corporation, and the number of voting shares of the Corporation that such person has advised are beneficially owned, directly or indirectly, or over which control or direction is exercised by him as at the date indicated below.

Name, municipality of residence and position with the Corporation	**Principal occupation**	**First year as director**	**Number of common shares beneficially owned or over which control is exercised as at September 6, 2011**
Jacques L'Écuyer.. Montreal, Québec, Canada President, Chief Executive Officer and Director	President and Chief Executive Officer of the Corporation	1999	16,312,188
Jean-Marie Bourassa(1)................................ Montreal, Québec, Canada Director	Managing Partner Bourassa Boyer Inc. (chartered accountants)	2007	150,000
John Davis(1)(2) .... Beaconsfield, Québec, Canada Director	Retired Executive	2000	5,000
Pierre Shoiry(2) .... Town of Mount Royal, Québec, Canada Director	President and Chief Executive Officer Genivar Limited Partnership (engineering services firm)	2007	33,300
Dennis Wood(1)(2) .... Magog, Québec, Canada Chairman of the Board of Directors	President and Chief Executive Officer Les Placements Dennis Wood Inc. (holding company)	2007	120,000
Frank Fache .... Hong Kong, China Executive Vice President, Strategic Supply and Director	Executive Vice President, Strategic Supply 5N Plus Inc.	2011	3,157,471
Laurent Raskin.. Tilly, Belgium Executive Vice President, Business Development and nominee for election as a Director	Executive Vice President, Business Development 5N Plus Inc.	—	2,794,148

(1) Member of the Audit Committee.
(2) Member of the Compensation Committee.

Messrs. Fache and Raskin have held the principal occupation set out opposite their names above since April 11, 2011. Prior thereto, Frank Fache was the former Co-Chief Executive Officer of MCP Group SA ("**MCP**"). He was, prior to his role with MCP, the Chief Executive Officer of Ferromin. Laurent Raskin was the former Co-Chief Executive Officer of MCP and previously acted as the Chief Executive Officer of Sidech SA.

None of the foregoing nominees for election as director of the Corporation:

(a) is, or within the last ten years has been, a director, chief executive officer or chief financial officer of any company that:

(i) was subject to a cease-trade order, an order similar to a cease-trade order, or an order that denied the relevant company access to any exemption under applicable securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an "**Order**"), which Order was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such company; or

(ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company; or

(b) is, or within the last ten years has been, a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, with the exception of Mr. Dennis Wood, who: (i) has since 2001 been a director of GBO Inc. (formerly Groupe Bocenor Inc.), a window and door manufacturer, which in February 2004 made a proposal to its creditors under the *Bankruptcy and Insolvency Act* (Canada), which proposal was accepted by the creditors in July 2004 and approved by the Superior Court of Québec in August 2004; and (ii) is a director of Blue Mountain Wallcoverings Group Inc., which in March 2009 was granted an initial order pursuant to section 11 of the *Companies' Creditors Arrangement Act* (Canada), providing creditor protection to the company and its subsidiaries; or

(c) has, within the last ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets.

None of the foregoing nominees for election as director of the Corporation has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information about the Corporation's executive compensation objectives and process and to discuss compensation relating to each person who acted as President and Chief Executive Officer and Chief Financial Officer and the three most highly-compensated executive officers (or three most highly-compensated individuals acting in a similar capacity), other than the Chief Executive Officer and the Chief Financial Officer, whose total compensation was more than $150,000 in the Corporation's last fiscal year (each a "**Named Executive Officer**" and collectively the "**Named Executive Officers**"). For the fiscal year ended May 31, 2011, the Corporation's Named Executive Officers are Jacques L'Écuyer, President and Chief Executive Officer, David Langlois, Chief Financial Officer, Nicholas Audet, Vice President, Business Unit Electronic Materials, Jean Bernier, Vice President, Human Resources and Marc Suys, Vice President, Corporate Affairs. This section will address the Corporation's philosophy and objectives and provide a review of the process that the Compensation Committee follows in deciding how to compensate the Named Executive Officers. This section will also provide discussion and analysis of the Compensation Committee's specific decisions about the compensation of the Named Executive Officers for the fiscal year ended May 31, 2011.

The compensation of the Corporation's Named Executive Officers is determined by the Board of Directors upon recommendations made by the Compensation Committee of the Board of Directors. The Corporation's executive compensation program is generally designed to pay for performance and be competitive with other companies of comparable size in similar fields. The Chief Executive Officer makes recommendations to the Compensation Committee as to the compensation of the Corporation's executive officers, other than himself. The Compensation Committee makes recommendations to the Board of Directors as to the compensation of the Chief Executive Officer and the other Named Executive Officers for approval, in accordance with the same criteria upon which the compensation of all other executive officers is based.

Executive Compensation Policy

The Corporation's executive compensation program is generally comprised of a base salary, a bonus opportunity and long-term incentives in the form of stock options granted under the 2011 Plan and restricted share units ("**RSUs**"). The annual bonus provides an opportunity for executives to earn an annual cash incentive based on the degree of achievement of individual, strategic, operational and financial targets set by the Board of Directors. The 2011 Plan of the Corporation and the Restricted Share Unit Plan ("**RSU Plan**") of the Corporation adopted in 2010 are designed to attract and retain the key talent required to drive the Corporation's long-term success by providing participants with an opportunity to share in the shareholder value to which they contribute. By design, variable compensation represents approximately 47% of the target total direct compensation for the Chief Financial Officer, and around 38% of the target total direct compensation for the other Named Executive Officers other than the Chief Executive Officer. To date, no stock options or RSUs have been granted to the Chief Executive Officer, as the Compensation Committee considers that his personal share-ownership level provides sufficient incentive and alignment with the interests of other shareholders of the Corporation. Consequently, target variable compensation represents approximately 33% of the Chief Executive Officer's target total direct compensation. Actual variable compensation may vary from the target variable compensation as a result of the level of performance achieved by the Corporation and the executive.

Executives' Involvement in the Determination of Executive Compensation Policy

Certain executives of the Corporation are involved with the process of determining executive compensation, as follows: the Chief Executive Officer works jointly with the Compensation Committee and its external compensation consultant to define the elements of executive compensation, including eligibility for the annual incentive (bonus) plan and long-term incentive compensation, the size, terms and conditions of bonus opportunities, and long-term incentive grants, based on the Corporation's pay-for-performance compensation philosophy and target-market positioning. The Chief Executive Officer, Chief Financial Officer and certain Vice Presidents are involved in the preparation of the financial budgets which are recommended for approval by the Board of Directors and form the basis for the financial-performance targets on which a portion of the bonuses are based; the Chief Executive Officer and Chief Financial Officer also oversee the financial, accounting, legal and regulatory aspects of the 2011 Plan and the RSU Plan, including maintaining a record of options and RSUs granted, exercised or paid and cancelled. The Compensation Committee, at its sole discretion, and from time to time, may propose modifications to the executive compensation policy, including, the removal or addition of compensation elements and amendments to the annual incentive (bonus) plan, the 2011 Plan and the RSU Plan. Such modifications are presented to the Board of Directors and, when required, to the shareholders, for their respective approval.

Comparative Group and External Compensation Consultant

During the fiscal year ended May 31, 2011, the Corporation, with the support of a compensation consulting firm hired by the Compensation Committee, conducted an informal review of the Corporation's compensation policy based on the guidelines adopted pursuant to a comprehensive analysis conducted in fiscal year 2008. The Corporation's compensation levels and practices were compared to those of sixteen Canadian manufacturing companies (the "**Comparative Group**"), including companies that transform rare metals, with revenues and financial performance comparable to those of the Corporation, taking into consideration the size of the Corporation, the geographic markets in which it operates and the responsibilities of its executive officers. The Comparative Group was comprised of the following companies:

Comparative Group	
Adeptron Technologies Corporation	Hammond Manufacturing Company Limited
Arise Technologies Corporation	Hydrogenics Corporation
Ballard Power Systems Inc.	MOSAID Technologies Incorporated
Circa Enterprises Inc.	Neo Material Technologies Inc.
Dynetek Industries Ltd.	Pacific Insights Electronics
Firan Technology Group Corporation	Roctest Limited
Garneau Inc.	Timminco Limited
General Donlee Income Fund	ZCL Composites Inc.

No formal compensation review has been conducted during fiscal year ended on May 31, 2011. The Compensation Committee intends to review the Comparative Group and the Corporation's compensation policy during fiscal 2012, in light of the Corporation's expansion resulting from the acquisition of MCP on April 8, 2011.

Elements of Executive Compensation

The compensation for the Named Executive Officers consists of three main components: base salary, annual bonus, and long-term incentives currently in the form of stock options and RSUs, with the exception of the Chief Executive Officer, who is not granted any long-term incentive. The Named Executive Officers also benefit from the Corporation's group insurance plans. The Corporation also contributes up to 2% of the base salary of the Named Executive Officer in the Corporation's Deferred Profit Sharing Plan. The terms and conditions of employment contracts of certain of the Named Executive Officers' are described in the section entitled "Employment Agreements and Termination Benefits" below.

Base Salary

The base salary component of the compensation for the Corporation's executives aims to reflect the salaries that are offered by companies in the Comparative Group and companies of a size comparable with the Corporation for positions involving similar responsibilities, complexity, impact, as well as the ability and experience of each executive. Given that the Corporation's emphasis on variable rather than fixed compensation, salaries are positioned around the first quartile of the Comparative Group.

Salaries are reviewed annually based on changes in the marketplace, the evolution of the executive's competencies, and his individual performance as measured by the achievement of objectives determined annually by the executive together with the Chief Executive Officer and, with respect to the Chief Executive Officer, with the Compensation Committee.

Annual Incentive (Bonus)

The annual incentive (bonus) plan aims to encourage and reward each executive for his contribution to the Corporation's annual business plan and for the Corporation's financial success. For fiscal year ended May 31, 2011, with the exception of the Chief Executive Officer and the Chief Financial Officer, one third of Named Executive Officers' target bonus, was based on individual performance (the "**individual objectives**" or "**individual targets**") and two thirds of Named Executive Officers' target bonus was based on corporate financial performance (the "**corporate objective**" or "**corporate targets**"). The entire 2011 bonuses of the Chief Executive Officer and Chief Financial Officer were based on corporate targets.

Individual strategic and financial objectives are determined at the beginning of the year by the executive in concert with the Chief Executive Officer and, with respect to the Chief Executive Officer, in concert with the Compensation Committee. Each year, the Board of Directors determines the financial performance targets which have to be achieved by the Corporation and its divisions in order for bonuses to be paid, the bonus amount to be paid to each executive for achieving such performance, as well as the maximum bonus amount to be paid to each executive should the targets be exceeded.

For the fiscal year ended May 31, 2011, as in previous years, the Corporate Targets were based on earnings before income taxes as determined in the budget approved by the Board of Directors. The following table presents the bonus payouts, as a percentage of base salary for threshold, target and maximum performance for each Named Executive Officer:

Position title	Bonus based on the Corporation's results (as a percentage of base salary)				Bonus based on individual results (as a percentage of base salary)		
	Below threshold bonus	Threshold bonus	Target bonus	Maximum bonus	Below target bonus	Target bonus	Maximum bonus
President and Chief Executive Officer	0%	25%	50%	75%	—	—	—
Chief Financial Officer	0%	20%	40%	60%	—	—	—
Other Named Executive Officers	0%	10%	20%	30%	0%	10%	15%

The Corporation's annual incentive (bonus) opportunity is in line with the first quartile of bonus opportunities offered by the companies included in the Comparative Group.

Long-Term Incentive Plans

Long-term incentives are comprised of stock options and RSUs and serve to align executive compensation with the interests of the Corporation's shareholders.

<u>Stock options</u>

Pursuant to the 2011 Plan, options may be granted by the Board of Directors, from time to time, to executives and other key employees.

Option-grant guidelines are established pursuant to the Compensation Committee's periodic review of the compensation policy, taking into account the competitiveness of total compensation and compensation practices within the Comparative Group, market trends as well as the Corporation's pay-for-performance philosophy. Option grants are expressed as a percentage of a participant's salary, which is determined based on the participant's position and responsibility levels, without taking into account the number of stock options already held by such participant. Options granted to Named Executive Officers have a six-year term and vest equally over a four-year period at an annual rate of 25% per year. See "Executive Compensation Policy" above for a discussion of the role of executive officers in setting and administering the 2011 Plan. See "Ratification, Confirmation and Approval of 2011 Stock Option Plan" below for a discussion of the terms and conditions relating to the 2011 Plan.

<u>RSUs</u>

On June 7, 2010, the Board of Directors of the Corporation adopted the RSU Plan to complement the 2007 Stock Option Plan (the "**2007 Plan**") of the Corporation, which was replaced by the 2011 Plan in April 2011. The RSU Plan enables the Corporation to award eligible participants phantom share units that will vest after a three-year period (the "**Performance Cycle**") based on a combination of services and the Corporation's achievement of financial targets pre-determined by the Board of Directors. Each vested RSU will be settled in cash, for an amount equivalent to the weighted average of the closing price of the common shares of the Corporation on the Toronto Stock Exchange in the last month immediately preceding the valuation date.

In the case of a participant's termination by the Corporation for cause or as a result of a voluntary resignation by the employee before the end of a Performance Cycle, all RSUs will be cancelled immediately as of the date on which the participant is advised of his termination or resigns.

In the case of a participant's termination by the Corporation other than for cause or if such participant is deemed to be on long-term disability before the end of a Performance Cycle, the number of RSUs which will have become vested at such event will be pro-rated based on the number of months worked and the degree of achievement of the performance vesting conditions associated with the RSUs at the end of the Performance Cycle.

In the case of a participant's death before the end of a Performance Cycle, the number of RSUs which will have become vested will be pro-rated based on the number of months worked and the degree of achievement of the performance vesting conditions at the end of the fiscal year preceding the participant's death; or, if the death occurs in the first year of the Performance Cycle, a ratio will be determined at the discretion of the Board of Directors.

The Compensation Committee believes that the terms and conditions of the 2011 Plan combined with those of the RSU Plan adequately meet the objectives of attracting and retaining quality executives while promoting long-term profitability and maximizing shareholder value.

The Corporation's target total direct compensation, which is the aggregate of salary, target annual bonus and estimated value of stock option and RSU grants, for the Named Executive Officers is competitive with the median to third quartiles of the Comparative Group. The Chief Executive Officer's total direct compensation is in line with the first quartile of the total direct compensation of chief executive officers in the Comparative Group, due to the absence of long-term incentive grants.

Named Executive Officers' Salary and Incentive Awards for the Fiscal Year 2011

For the fiscal year ended May 31, 2011, each Named Executive Officer's salary was adjusted to reflect market salary adjustments as well as the experience of each Named Executive Officer in his current position, the evolution of his competencies and his performance against expectations. In addition to the regular annual salary progression increase, the salary of a Named Executive Officer may also be adjusted to reflect an increase in the scope of his responsibilities.

Stock option and RSUs were granted based on grant guidelines for each Named Executive Officer position combined with the Chief Executive Officer's appreciation of individual incumbents' potential to contribute to the Corporation's future success. As a result, the following awards were approved by the Board of Directors during the fiscal year ended May 31, 2011:

Incumbent name and principal position	Stock options		RSUs	
	#	Exercise price ($) (1)	#	Market price ($) (2)
Jacques L'Écuyer President and Chief Executive Officer	—	—	—	—
David Langlois Chief Financial Officer	6,363	4.91	6,580	5.32
Nicholas Audet Vice President, Business Unit Electronic Materials	15,455	4.91	7,990	5.32
Jean Bernier Vice President, Human Resources	7,416	4.91	3,834	5.32
Marc Suys Vice President, Corporate Affairs	7,365	4.91	3,805	5.32

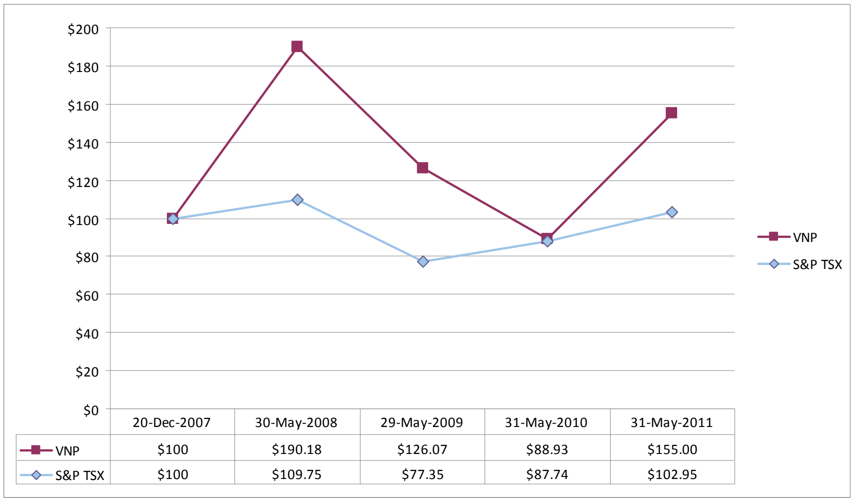
(1) The exercise price corresponds to the volume weighted average trading price of the common shares of the Corporation on the Toronto Stock Exchange for the last five days on which the common shares of the Corporation traded on the Toronto Stock Exchange immediately prior to the day on which the options were granted.
(2) The market price corresponds to the weighted average of the closing price of the common shares of the Corporation on the Toronto Stock Exchange in the last month immediately preceding the valuation date. See "Long-Term Incentive Plan — RSUs" above.

The Board of Directors determined that the Corporation achieved the target financial results for the fiscal year ended May 31, 2011. On this basis and upon the Chief Executive Officer's confirmation that each incumbent had achieved his individual objectives, the Compensation Committee recommended and the Board of Directors' approved that each incumbent be paid his target bonus amount. The Chief Executive Officer was awarded his maximum bonus amount on the basis of the Corporation's financial results as well as the successful completion of the acquisition of MCP. Bonus amounts paid to each Named Executive Officer are presented in the Summary Compensation Table below.

The resulting total cash compensation paid to the Named Executive Officers for fiscal 2011 is positioned around the first quartile of the Comparative Group and the total direct compensation earned is positioned between the first and second quartiles of the Comparative Group.

__Performance Graph__

The following graph compares the total return of a $100 investment in the common shares of the Corporation made on December 20, 2007, the date on which the shares commenced trading on the Toronto Stock Exchange, with the cumulative return of the S&P/TSX Composite Index for the period from December 20, 2007 to May 31, 2011.



During this period, Named Executive Officers' salaries have been adjusted annually to reflect their respective scope of responsibilities, experience and contribution to the Corporation's success as well as the evolution of the Comparative Group's compensation practices. Annual variable compensation reflects the Corporation's annual operational financial performance during the period as well as each individual's contribution to the Corporation's strategy and growth. The ultimate value of long-term incentives in the form of stock options and RSUs granted during the period is directly linked to the Corporation's share price increase during and beyond this period.

Summary Compensation Table
(in Canadian dollars)

The following table provides information for the fiscal years ended May 31, 2011, 2010 and 2009, regarding compensation paid to, or earned by, the Named Executive Officers.

Name and principal position	Year	Salary ($)	Share-based awards[1] ($)	Option-based awards[2] ($)	Non-equity incentive plan compensation ($)		Pension value[5] ($)	All other compensation[6] ($)	Total compensation ($)
					Annual incentive plans[3]	Long-term incentive plans[4]			
Jacques L'Écuyer President and Chief Executive Officer	2011 2010 2009	250,116 229,231 183,077	— — —	— —	187,500[7] — 100,000[8]	— — —	— — —	— — —	437,616 229,231 283,077
David Langlois Chief Financial Officer	2011 2010	142,528 70,000	35,006 —	10,727 202,728	57,000[7] 21,000	— —	— —	1,535 —	246,796 298,728
Nicholas Audet Vice President, Business Unit Electronic Materials	2011 2010 2009	176,616 134,442 119,116	42,507 — —	26,054 — 101,180	52,700[7] 14,083 53,760[8]	— — —	— — —	3,400 2,579 2,400	301,277 151,104 276,456
Jean Bernier Vice President, Human Resources	2011 2010 2009	160,069 159,712 144,904	20,397 — —	12,502 — 122,262	48,000[7] 6,400 64,960[8]	— — —	— — —	3,200 3,056 2,900	244,168 169,168 335,026
Marc Suys Vice President, Corporate Affairs	2011 2010 2009	139,047 131,713 118,318	20,243 — —	12,416 — 101,180	41,700[7] 13,000 53,760[8]	— — —	— — —	3,000 — —	216,406 144,713 273,258

(1) This amount is equal to the number of RSUs granted on June 7, 2010 multiplied by $5.32, which corresponds to the weighted average closing price of the common shares of the Corporation on the Toronto Stock Exchange in the last month immediately preceding the valuation date. See "Long-Term Incentive Plan — RSUs" above.
(2) This amount is equal to the number of options granted on June 7, 2010 multiplied by $1.69 which corresponds to the fair value of the option awards as determined by using the Black-Scholes model, an established methodology, using the same assumptions used for determining the equity-based compensation expense with respect to options granted to officers of the Corporation presented in the Corporation's financial statements for the fiscal years ended May 31, 2011, 2010 and 2009 in accordance with generally accepted accounting principles. These assumptions are:

	2011	2010	2009
risk-free interest rate	2.325%	2.25%	2.50%
expected life of options	4 years	4 years	3.5 years
expected volatility	40%	40%	68%
dividend rate	0.0%	0.0%	0.0%
exercise price	$4.91	$5.11	$3.00

(3) See "Annual Incentive (Bonus)" above.
(4) The Corporation does not have non-equity long-term incentive plans.
(5) The Corporation does not provide employees with any retirement benefits.
(6) This amount represents the Corporation's contribution to the Deferred Profit Sharing Plan for the Named Executive Officer. See "Elements of Executive Compensation" above. Perquisites and other personal benefits, in the aggregate, do not exceed the lesser of $50,000 and 10% of the total annual salary of the Named Executive Officer for the fiscal year. No other form of compensation was paid to the Named Executive Officer for the fiscal years.
(7) This amount represents the bonuses earned for the fiscal year ended May 31, 2011 and paid during fiscal 2012. See "Named Executive Officers' Salary and Incentive Awards for Fiscal 2011" above.
(8) This amount represents the sum of the annual bonus earned with respect to fiscal 2009 and paid during fiscal 2010 and the annual bonus earned with respect to fiscal 2008 and paid during fiscal 2009 as follows: Jacques L'Écuyer - $20,000 and $80,000; Nicholas Audet - $9,177 and $44,583; Jean Bernier - $17,870 and $47,090; Marc Suys - $19,177 and $34,583.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets out for each Named Executive Officer all awards outstanding at the end of the 2011 fiscal year.

	Option-based awards						Share-based awards	
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Number of securities underlying vested options (#)**	**Number of securities underlying unvested options (#)**	**Option expiration date**	**Value of unexercised in-the-money options(1) ($)**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested(2) ($)**
Jacques L'Écuyer President and Chief Executive Officer	—	—	—	—	—	—	—	—
David Langlois Chief Financial Officer	80,000 6,363	5.11 4.91	20,000 —	60,000 6,363	November 23, 2015 June 7, 2016	285,600 23,989	6,580	57,144
Nicholas Audet Vice President, Business Unit Electronic Materials	36,250 41,130 15,455	3.00 5.47 4.91	18,125 20,565 —	18,125 20,565 15,455	December 20, 2013 January 16, 2015 June 7, 2016	205,900 132,027 58,265	7,990	69,353
Jean Bernier Vice President, Human Resources	21,875 49,700 7,416	3.00 5.47 4.91	— 24,850 —	21,875 24,850 7,416	December 20, 2013 January 16, 2015 June 7, 2016	124,250 159,537 27,958	3,834	33,279
Marc Suys Vice President, Corporate Affairs	36,250 41,130 7,365	3.00 5.47 4.91	18,125 20,565 —	18,125 20,565 7,365	December 20, 2013 January 16, 2015 June 7, 2016	205,900 132,027 27,766	3,805	33,027

(1) This value corresponds to the difference between the closing price of the common shares of the Corporation on the Toronto Stock Exchange ($8.68) on May 31, 2011, and the exercise price of the options. This value has not been, and may never be, realized. The actual gain, if any, will depend on the value of the common shares on the dates on which the options (some of which had not yet vested during the fiscal year ended May 31, 2011) are exercised. See "Long-Term Incentive Plan (Options)" above and "Ratification and confirmation of 2011 Stock Option Plan" below.
(2) This value corresponds to the number of RSUs that have not vested on May 31, 2011 multiplied by the closing price of the common shares of the Corporation on the Toronto Stock Exchange ($8.68) on May 31, 2011.

Incentive-Plan Awards - Value Vested or Earned during the Year

The following table sets out, for each Name Executive Officer, the value of option-based awards and share-based awards which vested during the fiscal year ended May 31, 2011 and the value of non-equity incentive plan compensation earned during the fiscal year ended May 31, 2011.

	Option-based awards		Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year(2) ($)
Name	Number of options vested during the year (#)	Value vested during the year(1) ($)		
Jacques L'Écuyer President and Chief Executive Officer	—	—	—	187,500
David Langlois Chief Financial Officer	20,000	20,200	—	57,000
Nicholas Audet Vice President, Business Unit Electronic Materials	18,125 10,283	63,981 12,648	—	52,700
Jean Bernier Vice President, Human Resources	21,875 12,425	77,219 15,283	—	48,000
Marc Suys Vice President, Corporate Affairs	18,125 10,283	63,981 12,648	—	41,700

(1) The options vest at a rate of 25% per year, commencing on the first anniversary of their date of grant. This amount corresponds to the difference between the closing price of the common shares of the Corporation on the Toronto Stock Exchange on the vesting date or the last day before the vesting date, namely: ($6.12) on November 23, 2010, ($6.53) on December 20, 2010, and ($6.70) on January 14, 2011, and the exercise prices of $5.11, $3.00 and $5.47 respectively. The actual gain, if any, will depend on the value of the common shares on the dates on which the options are exercised. See "Long-Term Incentive Plan (Stock Options)" above and "Ratification, Confirmation and Approval of 2011 Stock Option Plan" below.

(2) Corresponds to the same amount as disclosed in column "Non-Equity Incentive Plan Compensation — Annual Incentive Plan" of the "Summary Compensation Table" above.

Employment Agreements and Termination Benefits

The Corporation has entered into employment agreements with Messrs. Jacques L'Écuyer, David Langlois, Nicholas Audet, Jean Bernier and Marc Suys under which the Named Executive Officer is entitled to an annual base salary, which is subject to annual adjustments, and to an annual performance-based bonus expressed as a percentage of base salary, as determined annually by the Board of Directors in accordance with the Corporation's policy. The employment agreements contain customary confidentiality, two-year non-competition and non-solicitation provisions. The Named Executive Officer is entitled to a severance payment equal to one month's salary for each month, and for Mr. Langlois, each three-month period of employment with the Corporation, subject to a minimum and maximum applicable to each position.

The table below sets out the dates, terms and conditions applicable to each Named Executive Officer as well as the severance payment that would have been payable had the Corporation terminated employment on May 31, 2011.

		Severance entitlement (number of months' base salary)		Severance payable as of May 31, 2011	
Name and position	Original employment date	Minimum	Maximum	Number of months' salary	$
Jacques L'Écuyer President and Chief Executive Officer	June 1, 2000	13 months	20 months	20 months	416,666
David Langlois Chief Financial Officer	November 23, 2009	None	12 months	6 months	71,250
Nicholas Audet Vice President, Business Unit Electronic Materials	February 23, 2003	12 months	12 months	12 months	170,000
Jean Bernier Vice President, Human Resources	June 11, 2007	6 months	12 months	12 months	160,000
Marc Suys Vice President, Corporate Affairs	June 1, 2000	6 months	9 months	9 months	104,250

Had a Named Executive Officer's employment been terminated on May 31, 2011, any unvested options previously granted to him and outstanding on that date would have been cancelled; no other incremental payments would have been owed.

COMPENSATION OF DIRECTORS

As of January 13, 2009, each director, with the exception of Jacques L'Écuyer, is entitled to an annual retainer of $12,000 and an attendance fee of $2,000 for each Board of Directors' meeting attended. The Chairman of the Board is entitled to an additional annual retainer of $3,000. The Chairman of the Audit Committee and Compensation Committee are entitled to an additional annual retainer of $2,000. The Chairman and members of the Audit Committee are entitled to an attendance fee of $1,000 for each meeting of the Audit Committee attended.

The aggregate amount of such fees incurred by the Corporation for the fiscal year ended May 31, 2011 was $99,000. Jacques L'Écuyer, the President and Chief Executive Officer of the Corporation and Frank Fache, Executive Vice President, Strategic Supply, did not receive a Board retainer or attendance fees during the fiscal year ended May 31, 2011.

The following table sets out the value of cash compensation paid and stock options granted to each director with respect to services rendered to the Corporation during the fiscal year ended May 31, 2011.

Name and principal position	Year	Fees earned[(1)] ($)	Share-based awards[(2)] ($)	Option-based awards[(3)] ($)	Non-equity incentive plan compensation[(4)] ($)	Pension value[(5)] ($)	All other compensation[(6)] ($)	Total compensation ($)
Dennis Wood Chairman of the Board, member of the Audit Committee and Compensation Committee	2011	27,000	—	50,574	—	—	—	77,574
Jean-Marie Bourassa Chairman of the Audit Committee	2011	26,000	—	42,145	—	—	—	68,145
John Davis Member of the Audit Committee and Chairman of the Compensation Committee	2011	26,000	—	42,145	—	—	—	68,145
Pierre Shoiry Member of the Compensation Committee	2011	20,000	—	33,716	—	—	—	53,716
Frank Fache[(7)] Executive Vice President, Strategic Supply	2011	—	—	—	—	—	US$94,607[(8)]	US$94,607

(1) This amount represents the aggregate of the annual retainer and meeting attendance fees paid to the director as described above.
(2) The Corporation does have a share-based compensation plan in the form of the RSU Plan. As at May 31, 2011, no RSUs have been granted to directors under the RSU Plan.
(3) This amount is equal to the number of options granted on June 7, 2010 multiplied by $1.69 which corresponds to the fair value of the option awards as determined by using the Black-Scholes option model, an established methodology, using the same assumptions used for determining the equity-based compensation expense with respect to options granted to directors of the Corporation presented in the Corporation's financial statements for the fiscal year ended May 31, 2011, in accordance with generally accepted accounting principles. These assumptions are:
  (i) risk-free interest rate: 2.325%;
  (ii) expected life of options: 4 years;
  (iii) expected volatility: 40%;
  (iv) dividend rate: 0.0%; and
  (v) exercise price: $4.91.
(4) The Corporation does not have any non-equity long-term incentive plan for directors.
(5) The Corporation does not provide directors with any retirement benefits.
(6) The Corporation does not provide directors with any other form of compensation.
(7) Mr. Fache was appointed as Executive Vice President, Strategic Supply, and to the Board of Directors of the Corporation on April 11, 2011.
(8) This amount represents the salary paid to Mr. Fache since his appointment as Executive Vice President, Strategic Supply of the Corporation on April 11, 2011.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets out for each Director all awards outstanding at the end of fiscal 2011.

	Option-based awards[1]				Share-based awards[3]	
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options[2] ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)
Dennis Wood Chairman of the Board, member of the Audit Committee and Compensation Committee	80,000 30,000 30,000	3.00 5.47 4.91	December 20, 2013 January 16, 2015 June 7, 2016	454,400 96,300 113,100	— — —	— — —
Jean-Marie Bourassa Chairman of the Audit Committee	25,000 25,000	5.47 4.91	January 16, 2015 June 7, 2016	80,250 94,250	— — —	— — —
John Davis Member of the Audit Committee and Chairman of the Compensation Committee	60,000 25,000 25,000	3.00 5.47 4.91	December 20, 2013 January 16, 2015 June 7, 2016	340,800 80,250 94,250	— — —	— — —
Pierre Shoiry Member of the Compensation Committee	60,000 20,000 20,000	3.00 5.47 4.91	December 20, 2013 January 16, 2015 June 7, 2016	340,800 64,200 75,400	— — —	— — —
Frank Fache Director and Executive Vice President, Strategic Supply	—	—	—	—	—	—

(1) Options become 100% vested on the first anniversary of their grant date.
(2) This value corresponds to the difference between the closing price of the common shares of the Corporation on the Toronto Stock Exchange ($8.68) on May 31, 2011 and the exercise price. This value has not been, and may never be, realized. The actual gain, if any, will depend on the value of the common shares on the dates on which the options (some of which had not yet vested at the end of the fiscal year ended on May 31, 2011) are exercised. See “Long-Term Incentive Plan (Options)” above and “Ratification, confirmation and approval of 2011 Stock Option Plan” below.
(3) The Corporation does have a share-based compensation plan in the form of the RSU Plan. As at May 31, 2011, no RSUs have been granted under the RSU Plan.

Incentive-Plan Awards - Value Vested or Earned during the Year

No options granted to the directors of the Corporation have vested during fiscal year ended May 31, 2011.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out certain details as at May 31, 2011 with respect to plans of the Corporation pursuant to which equity securities of the Corporation are authorized for issuance.

Equity Compensation Plan Information

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plan approved by securityholders	Nil	Nil	Nil
Equity compensation plan not approved by securityholders	1,384,025	$4.52	3,615,975
Total	**1,384,025**	**$4.52**	**3,615,975**

RATIFICATION, CONFIRMATION AND APPROVAL OF 2011 STOCK OPTION PLAN

On April 11, 2011, the Board of Directors of the Corporation created, subject to shareholders' approval, the 2011 Stock Option Plan for directors, officers and employees of, and service providers to, the Corporation and its subsidiaries. The 2011 Plan replaces the 2007 Plan of the Corporation. The following is a description of certain features of the 2011 Plan, as required by the Toronto Stock Exchange:

(a) the maximum number of common shares that can be issued upon the exercise of options granted under the 2011 Plan is five million (5,000,000), representing 7.05% of the issued and outstanding shares of the Corporation on September 6, 2011;

(b) no option may be granted under the 2011 Plan to any optionee unless the number of the common shares: (i) issued to "insiders" within any one-year period; and (ii) issuable to "insiders" at any time, under the 2011 Plan, or when combined with all of the Corporation's other security-based compensation arrangements, could not exceed 10% of the total number of issued and outstanding common shares of the Corporation. For the purpose of the 2011 Plan, the term "insiders" means "reporting insiders" as defined in National Instrument – 55-104 *Insider Reporting Requirements and Exemptions*;

(c) the exercise price of options granted under the 2011 Plan is set at the time of the grant of the options, but cannot be less than the volume weighted average trading price of the common shares of the Corporation on the Toronto Stock Exchange for the five trading days immediately preceding the day on which an option is granted;

(d) the maximum period during which an option may be exercised is ten years from the date on which it is granted;

(e) at the time of granting an option, the Board of Directors, at its discretion, may set a "vesting schedule", that is, one or more dates from which an option may be exercised in whole or in part;

(f) options granted under the 2011 Plan are not transferable other than by will or by the laws of succession of the domicile of the deceased optionee;

(g) if an optionee's employment or service provider relationship with the Corporation is terminated for cause, options not then exercised terminate immediately;

(h) if an optionee dies or becomes, in the determination of the Board of Directors, permanently disabled, options may be exercised for that number of common shares which the optionee was entitled to acquire at the time of death or permanent disability, as the case may be, for a period of one year after the date of death or permanent disability;

(i) upon an optionee's employment, office, directorship or service provider relationship with the Corporation terminating or ending other than by reason of death, permanent disability or termination for cause, options may be exercised for that number of common shares which the optionee was entitled to acquire at the time of such termination, for a period of 30 days after such date;

(j) the 2011 Plan does not provide for financial assistance from the Corporation to option holders;

(k) if the Corporation is required under the *Income Tax Act* (Canada) or any other applicable law to remit to any governmental authority an amount on account of tax on the value of any taxable benefit associated with the exercise of an option by an optionee, then the optionee shall, concurrently with the exercise of the option:

    (i) pay to the Corporation, in addition to the exercise price for the options, sufficient cash as is determined by the Corporation, in its sole discretion, to be the amount necessary to fund the required tax remittance;

(ii) authorize the Corporation, on behalf of the optionee, to sell in the market, on such terms and at such time or times as the Corporation determines, in its sole discretion, such portion of the common shares being issued upon exercise of the option as is required to realize cash proceeds in an amount necessary to fund the required tax remittance; or

(iii) make other arrangements acceptable to the Corporation, in its sole discretion, to fund the required tax remittance;

(l) in the event that the Corporation proposes to amalgamate or merge with another company (other than a wholly-owned subsidiary of the Corporation), or to liquidate, dissolve or wind-up, or in the event that an offer to purchase common shares is made to all shareholders of the Corporation, the Corporation has the right, upon written notice, to permit the exercise of all options outstanding under the 2011 Plan within a 20-day period following the date of such notice and to determine that upon the expiry of such 20-day period, all options terminate and cease to have effect;

(m) approval by the shareholders of the Corporation is required for the following amendments to the 2011 Plan: (i) amendments to the number of shares issuable under the 2011 Plan, including an increase to a maximum percentage or number of shares; (ii) any amendment to the 2011 Plan that increased the length of the blackout extension period; (iii) any amendment which reduces the exercise price or purchase price of an option held by an “insider” of the Corporation; (iv) any amendment extending the term of an option held by an “insider” beyond its original expiry date except as otherwise permitted by the 2011 Plan; and (v) amendments required to be approved by shareholders under applicable law (including, without limitation, the rules, regulations and policies of the Toronto Stock Exchange); and

(n) the Board of Directors of the Corporation may make the following types of amendments to the 2011 Plan without seeking approval from the shareholders of the Corporation: (i) amendments of a “housekeeping” or ministerial nature, including any amendment for the purpose of curing any ambiguity, error or omission in the 2011 Plan or to correct or supplement any provision of the 2011 Plan that is inconsistent with any other provision of the 2011 Plan; (ii) amendments necessary to comply with the provisions of applicable law (including, without limitation, the rules, regulations and policies of the Toronto Stock Exchange); (iii) amendments necessary in order for options to qualify for favourable treatment under applicable taxation laws; (iv) amendments respecting administration of the 2011 Plan; (v) any amendment to the vesting provisions of the 2011 Plan or any option; (vi) any amendment which reduces the exercise price or purchase price of an option held by an optionee who is not an “insider” of the Corporation; (vii) any amendment to the early termination provisions of the 2011 Plan or any option, whether or not such option is held by an “insider” of the Corporation, provided such amendment does not entail an extension beyond the original expiry date; (viii) the addition of any form of financial assistance by the Corporation for the acquisition by all or certain categories of eligible participants of shares under the 2011 Plan, and the subsequent amendment of any such provisions; (ix) the addition or modification of a cashless exercise feature, payable in cash or shares of the Corporation; (x) amendments necessary to suspend or terminate the 2011 Plan; and (xi) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law.

The following is a description with respect to grants and exercise of options under the 2007 Plan and 2011 Plan, as required by the Toronto Stock Exchange:

(a) since the inception of the 2007 Plan and 2011 Plan, the Corporation has granted options in respect of an aggregate of 2,482,687 common shares, representing 3.5% of the Corporation’s currently issued and outstanding common shares as at September 6, 2011;

(b) since the inception of the 2007 Plan and 2011 Plan, the Corporation has issued 465,356 common shares upon the exercise of stock options, representing 0.65% of the Corporation’s currently issued and outstanding common shares as at September 6, 2011;

(c) as at September 6, 2011, there were options issued and outstanding in respect of an aggregate of 1,607,427 common shares, representing 2.27% of the Corporation’s currently issued and outstanding common shares;

(d) On June 6, 2011, the Board of Directors of the Corporation granted to three of its employees, subject to shareholders approval, options to purchase up to an aggregate of 85,000 common shares of the Corporation.

The exercise price of these options is $8.50 per common share. These options are vesting equally over a four-year period and will expire on June 6, 2017; and

(e) On September 1, 2011, the Board of Directors of the Corporation granted to directors, officers and certain employees, subject to shareholders approval, options to purchase up to an aggregate of 190,249 common shares of the Corporation. The exercise price of these options is $8.64 per common share. These options are vesting equally over a four-year period, except for 100,000 options granted to the independent directors of the Corporation, which are vesting on the first anniversary date of the grant. All the foregoing options will expire on September 1, 2017. Of the 190,249 options, 149,633 have been granted to insiders of the Corporation.

The options granted on June 6, 2011 and September 1, 2011 cannot be exercised until such time that the Corporation has obtained shareholder ratification and approval for the 2011 Plan and these two option grants. All the options granted pursuant to the 2011 Plan will be cancelled if shareholders do not approve and ratify: (i) the 2011 Plan; and (ii) the 275,249 options granted since the inception of the 2011 Plan.

The following table summarises options granted by the Corporation pursuant to the 2011 Plan:

Category of Participant	**Number of Options Granted Pursuant to the 2011 Plan**	**Exercise price ($)**	**Expiry Date**
Directors	100,000	8.64	September 1, 2017
Officers	49,633	8.64	September 1, 2017
Employees	40,616 85,000	8.64 8.50	September 1, 2017 June 6, 2017

Under the policies of the Toronto Stock Exchange, a security-based compensation arrangement, such as the Corporation's 2011 Plan, must, when initially put in place, receive shareholder approval at a duly called meeting of shareholders. All options granted under a security-based compensation arrangement that has not yet received shareholder approval, must also be ratified by shareholders. Accordingly, at the Meeting, shareholders will be asked to adopt a resolution in the form annexed to this Circular as Schedule A (the "**Resolution**"), ratifying, confirming and approving the 2011 Plan and the 275,249 options granted since the inception of the 2011 Plan. In order to be adopted, the resolution must be approved by a majority of the votes cast by the shareholders of the Corporation, either present in person or represented by proxy at the Meeting. Should shareholders fail to ratify and approve the 2011 Plan and the option grants, the 275,249 options granted pursuant to the 2011 Plan will be cancelled. **Unless otherwise specified, the persons named in the accompanying form of proxy intend to vote for the resolution.**

The complete text of the 2011 Plan is available to shareholders on request from the Secretary of the Corporation. Shareholders wishing to receive a copy of the 2011 Plan should contact the Secretary of the Corporation at 4385 Garand, Montreal, Québec H4R 2B4, telephone (514) 856-0644.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No person who is, or who was at any time during the fiscal year ended May 31, 2011, a director, executive officer or senior officer of the Corporation or a subsidiary thereof, and no person who is a nominee for election as a director of the Corporation, and no associate of such persons, is, or was at any time since the beginning of the fiscal year ended May 31, 2011, indebted to the Corporation or a subsidiary of the Corporation, nor has any such person been indebted at any time since the beginning of the fiscal year ended May 31, 2011 to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or a subsidiary of the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For the purposes of this Management Proxy Circular, "informed person" means: (i) a director or executive officer of the Corporation; (ii) a director or executive officer of a person or corporation that is itself an informed person or subsidiary of the Corporation; (iii) any person or corporation who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation or a combination of both, carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation, other than voting securities held by the person or corporation as underwriter in the course of a distribution; and (iv) the Corporation if it has purchased, redeemed or otherwise acquired any of its own securities, for so long as it holds any of its securities.

To the best of the Corporation's knowledge, no informed person of the Corporation, and no associate or affiliate of the foregoing persons, at any time since the beginning of the Corporation's last completed financial year, has or had any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction since the beginning of the Corporation's last completed financial year that has materially affected the Corporation, or in any proposed transaction that could materially affect the Corporation, or in any matter to be acted upon at this Meeting, except for the acquisition by the Corporation of all of the shares of MCP on April 8, 2011. Frank Fache and Laurent Raskin, who were among the selling shareholders of MCP, were appointed, after the completion of the acquisition of MCP, as the Executive Vice President, Strategic Supply and a Director to our Board of Directors of the Corporation, and Executive Vice President, Business Development of the Corporation, respectively.

AUDIT COMMITTEE INFORMATION

Reference is made to the section entitled "Audit Committee" of the Corporation's Annual Information Form for the fiscal year ended May 31, 2011 for required disclosure relating to the Audit Committee. The Annual Information Form is available on SEDAR at www.sedar.com and can be obtained by contacting the Secretary of the Corporation at 4385 Garand, Montreal, Québec H4R 2B4, telephone (514) 856-0644.

APPOINTMENT OF AUDITORS

Except where authorization to vote with respect to the appointment of auditors is withheld, the persons named in the accompanying form of proxy intend to vote for the appointment of PricewaterhouseCoopers LLP, Chartered Accountants, as the auditors of the Corporation, at such remuneration as may be determined by the Board of Directors. PricewaterhouseCoopers LLP, Chartered Accountants, have served as the auditors of the Corporation since September 3, 2010.

SHAREHOLDER PROPOSALS

The *Canada Business Corporations Act* provides that a registered holder or beneficial owner of shares that is entitled to vote at an annual meeting of the Corporation may submit to the Corporation notice of any matter that the person proposes to raise at the meeting (referred to as a "**Proposal**") and discuss at the meeting any matter in respect of which the person would have been entitled to submit a Proposal. The *Canada Business Corporations Act* further provides that the Corporation must set out the Proposal in its management proxy circular along with, if so requested by the person who makes the Proposal, a statement in support of the Proposal by such person. However, the Corporation will not be required to set out the Proposal in its management proxy circular or include a supporting statement if, among other things, the Proposal is not submitted to the Corporation at least 90 days before the anniversary date of the notice of meeting that was sent to the shareholders in connection with the previous annual meeting of shareholders of the Corporation. As the notice in connection with the Meeting is dated September 6, 2011, the deadline for submitting a proposal to the Corporation in connection with the next annual meeting of shareholders is June 8, 2012.

The foregoing is a summary only. Shareholders should carefully review the provisions of the *Canada Business Corporations Act* relating to Proposals and consult with a legal advisor.

OTHER MATTERS

Management of the Corporation knows of no other matter to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters which are not known to management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgement.

CORPORATE GOVERNANCE

National Policy 58-201 *Corporate Governance Guidelines* and National Instrument 58-101 *Disclosure of Corporate Governance Practices* set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. Each reporting issuer, such as the Corporation, must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. The following is the Corporation's required annual disclosure of its corporate governance practices.

1. Board of Directors

(a) *Disclose the identity of directors who are independent.*

The Board of Directors considers that Jean-Marie Bourassa, John Davis, Pierre Shoiry and Dennis Wood are independent within the meaning of Multilateral Instrument 52-110 *Audit Committees*.

(b) *Disclose the identity of directors who are not independent, and describe the basis for that determination.*

The Board of Directors considers that Jacques L'Écuyer and Frank Fache are not independent within the meaning of Multilateral Instrument 52-110 *Audit Committees*, in that each is a senior officer of the Corporation.

In the event that Laurent Raskin is elected to the Board of Directors at the Meeting, the Board of Directors considers that he will not be independent within the meaning of Multilateral Instrument 52-110 *Audit Committees*, in that Mr. Raskin is the Executive Vice President, Business Development of the Corporation.

(c) *Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors does to facilitate its exercise of independent judgment in carrying out its responsibilities.*

The Board of Directors considers that four of the five directors are independent within the meaning of Multilateral Instrument 52-110 *Audit Committees*. Accordingly, a majority of the Board of Directors is independent.

In addition, all three members of the Audit Committee of the Board of Directors are independent directors. The members of the Audit Committee are Jean-Marie Bourassa, John Davis and Dennis Wood.

At each meeting of the Board of Directors, the independent directors meet without the non-independent director or members of management of the Corporation present.

(d) *If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.*

The following directors are currently directors of other issuers that are reporting issuers (or the equivalent) in a jurisdiction of Canada or a foreign jurisdiction:

Name of Director	Issuer
Jean-Marie Bourassa	Savaria Corporation
Pierre Shoiry	Genivar Inc.
Dennis Wood	Azimut Exploration Inc. GBO Inc. The Jean Coutu Group (PJC) Inc. Transat A.T. Inc.

(e) *Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings,* *disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.*

At each meeting of the Board of Directors, the independent directors meet without the non-independent director or members of management of the Corporation present.

(f) *Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.*

Dennis Wood, the Chairman of the Board of Directors, is an independent director. The responsibilities of the Chairman include chairing all meetings of the Board of Directors.

(g) *Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.*

During the period from June 1, 2010 to May 31, 2011, the Board of Directors held eight meetings. Attendance of directors at the eight meetings is indicated in the table below.

Jacques L'Écuyer	8/8	Pierre Shoiry	8/8
Jean-Marie Bourassa	8/8	Dennis Wood	8/8
John Davis	8/8	Frank Fache(1)	0/1

(1) Mr. Fache was appointed to the Board of Directors of the Corporation on April 11, 2011.

2. Board Mandate

Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.

There is no specific mandate for the Board of Directors, since the Board has plenary power. Any responsibility that is not delegated to senior management or a committee of the Board remains with the Board of Directors.

3. Position Description

(a) *Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.*

No written position description has been developed for the Chairman of the Board of Directors or for the chairs of each committee.

The Chairman of the Board of Directors is responsible for setting the agenda for, and chairing meetings of, the Board of Directors. In addition, the Chairman of the Board of Directors is responsible for the management, development and effective performance of the Board and provides leadership to the Board in all aspects of its work.

The primary role and responsibility of the chair of each committee of the Board of Directors is to: (i) in general, ensure that the committee fulfills its mandate, as determined by the Board of Directors; (ii) chair meetings of the committee; (iii) report thereon to the Board of Directors; and (iv) act as liaison between the committee and the Board of Directors and, if necessary, management of the Corporation.

(b) *Disclose whether or not the board and Chief Executive Officer have developed* a *written position description for the Chief Executive Officer. If the board and Chief Executive Officer have not developed such position description, briefly describe how the board delineates the role and responsibilities of the Chief Executive Officer.*

The Board of Directors has not developed a written position description for the Chief Executive Officer. However, the Board of Directors has set objectives for the Chief Executive Officer. The Chief Executive Officer's objectives constitute a mandate on a year-to-year basis. These objectives include a general mandate to maximize shareholder value. The Board of Directors approves the Chief Executive Officer's objectives for the Corporation on an annual basis.

4. Orientation and Continuing Education

(a) *Briefly describe what measures the board takes to orient new directors regarding*

(i) *the role of the board, its committees and its directors; and*

(ii) *the nature and operation of the issuer's business.*

The Corporation provides orientation for new appointees to the Board of Directors and committees in the form of informal meetings with members of the Board and senior management, complemented by presentations on the main areas of the Corporation's business.

(b) *Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.*

The Board does not formally provide continuing education to its directors. The directors are experienced members, including three who are directors of other reporting issuers. The Board of Directors relies on professional assistance when judged necessary in order to be educated or updated on a particular topic.

5. Ethical Business Conduct

(a) *Disclose whether or not the board has adopted a written code for the directors, officers and employees.*

The Board of Directors adopted a Code of Business Conduct and Ethics on April 7, 2009.

(b) *Describe any steps the board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.*

Under the *Canada Business Corporations Act,* to which the Corporation is subject, a director or officer of the Corporation must disclose to the Corporation, in writing or by requesting that it be entered in the minutes of meetings of the Board of Directors, the nature and extent of any interest that he or she has in a material contract or material transaction, whether made or proposed, with the Corporation, if the director or officer: (i) is a party to the contract or transaction; (ii) is a director or an officer, or an individual acting in a similar capacity, of a party to the contract or transaction; or (iii) has a material interest in a party to the contract or transaction. Subject to limited exceptions set out in the *Canada Business Corporations Act,* the director cannot vote on any resolution to approve the contract or transaction.

Further, it is the policy of the Corporation that an interested director or officer recuse himself or herself from the decision-making process pertaining to a contract or transaction in which he or she has an interest.

(c) *Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.*

The directors are apprised of the activities of the Corporation and ensure that it conducts such activities in an ethical manner. The directors encourage and promote an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to consultants, officers and directors to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary actions for violations of ethical business conduct.

6. Nomination of Directors

(a) Describe the process by which the board identifies new candidates for board nomination.

Since December 20, 2007, the date of the closing of the Corporation's initial public offering, there have been no new directors appointed to the Board of Directors with the exception of Mr. Frank Fache who was appointed as a director of the Corporation on April 11, 2011 following the acquisition of MCP. The Board of Directors retains the responsibility for identifying new candidates for Board nomination.

If the Board of Directors determines that new candidates for board nomination are advisable, the process by which the Board of Directors identifies new candidates for board nomination will begin with the approval by the Board of an outline of the skill-set and background which are desired in a new candidate. Board members or management will have an opportunity to suggest candidates for consideration. A search firm may be employed. Prospective candidates will be interviewed by the Chairman and other Board members on an *ad hoc* basis. An invitation to join the Board will be extended only after the Board has reached a consensus on the appropriateness of the candidate.

(b) Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.

The Board of Directors does not have a nominating committee. The independent directors will play a predominant role in the nomination process.

(c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.

The Board of Directors does not have a nominating committee.

7. Compensation

(a) Describe the process by which the board determines the compensation for the issuer's directors and officers.

The Compensation Committee is mandated to review and recommend to the Board of Directors for approval the remuneration of directors. The Compensation Committee considers time commitment, comparative fees and responsibilities in determining remuneration. See "Compensation of Directors" above.

With respect to the compensation of the Corporation's officers, see "Executive Compensation" above.

(b) Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.

The Compensation Committee is composed entirely of independent directors within the meaning of National Instrument 52-110 *Audit Committees*. The members of the Compensation Committee are John Davis, Pierre Shoiry and Dennis Wood.

(c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.

The Compensation Committee's primary role and responsibility concerns human resources and compensation policies and processes. Among the main responsibilities of the Compensation Committee is recommending the compensation of the Corporation's executive officers to the Board of Directors.

If the Compensation Committee considers it necessary, it may investigate and review any human resources or compensation matter relating to the Corporation. The Compensation Committee may, with approval of the Board of Directors, retain outside experts and engage special legal counsel, if necessary.

(d) *If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.*

The Compensation Committee of the Corporation retained PCI-Perrault Consulting Inc. to advise with respect to the Corporation's compensation policy, including the appropriate number of stock options to be granted to employees of the Corporation and the development of the RSU Plan. See "Executive Compensation" above.

8. Other Board Committees

If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

The Board does not have committees other than the Audit Committee and Compensation Committee.

9. Assessments

Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.

Assessments are not conducted on a regular basis. The Board of Directors from time-to-time examines and comments on its effectiveness and that of its committees and makes adjustments when warranted.

ADDITIONAL INFORMATION

Financial information about the Corporation is contained in its comparative consolidated financial statements and Management's Discussion and Analysis for the fiscal year ended May 31, 2011, and additional information about the Corporation is available on SEDAR at www.sedar.com.

If you would like to obtain, at no cost to you, a copy of any of the following documents:

(a) the latest Annual Information Form of the Corporation together with any document, or the pertinent pages of any document, incorporated by reference therein;

(b) the comparative financial statements of the Corporation for the fiscal year ended May 31, 2011 together with the accompanying report of the auditors thereon and any interim financial statements of the Corporation for periods subsequent to May 31, 2011 and Management's Discussion and Analysis with respect thereto; and

(c) this Management Proxy Circular,

please send your request to:

5N Plus Inc.
4385 Garand
Montreal, Québec
H4R 2B4

telephone: (514) 856-0644
telecopier: (514) 856-9611

AUTHORIZATION

The contents and the mailing of this Management Proxy Circular have been approved by the Board of Directors of the Corporation.

(signed) Jacques L'Écuyer

Jacques L'Écuyer
President and Chief Executive Officer

Montreal, Québec
September 6, 2011

SCHEDULE A

SHAREHOLDERS' RESOLUTION

RATIFICATION, CONFIRMATION AND APPROVAL OF THE STOCK OPTION PLAN

BE AND IT IS HEREBY RESOLVED:

THAT the 2011 Stock Option Plan (the "**2011 Plan**") of the Corporation adopted by the Board of Directors on April 11, 2011, as described in the Management Proxy Circular (the "**Circular**") of the Corporation dated September 6, 2011, be and it is hereby ratified, confirmed and approved;

THAT the maximum number of common shares that can be issued upon the exercise of options granted under the 2011 Plan is five million (5,000,000);

THAT the 275,249 options granted pursuant to the 2011 Plan by the Board of Directors, subject to shareholder ratification, of which 149,633 were granted to insiders of the Corporation, at prices ranging from $8.50 to $8.64 with expiry dates varying from June 6, 2017 to and September 1, 2017, as described in the Circular, be and they are hereby ratified; and

THAT the President and Chief Executive Officer of the Corporation be, and hereby is, authorized, on behalf of the Corporation, to sign any document and take any measure that may prove necessary to give full effect to this resolution.