5N PLUS INC.
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED
MARCH 31, 2014 AND 2013

(Figures in thousands of United States dollars)

5N PLUS INC.
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Figures in thousands of United States dollars)

	As at March 31, 2014	As at December 31, 2013
	$	$
ASSETS		
Current		
Cash and cash equivalents	16,886	22,427
Temporary investments (restricted)	2,548	2,490
Accounts receivable	83,144	60,616
Inventories (Note 4)	176,353	174,374
Income tax receivable	6,563	8,455
Derivative financial assets (Note 6)	283	955
Other current assets	4,441	2,290
Total current assets	**290,218**	**271,607**
Property, plant and equipment	57,988	59,614
Intangible assets	12,273	13,143
Deferred tax asset	12,707	13,387
Investments accounted for using the equity method	467	444
Other assets	6,248	7,045
Total non-current assets	**89,683**	**93,633**
Total assets	**379,901**	**365,240**
LIABILITIES AND EQUITY		
Current		
Bank indebtedness and short-term debt	10,336	10,462
Trade and accrued liabilities	76,189	65,016
Income tax payable	6,577	3,660
Derivative financial liabilities (Note 6)	3,595	3,284
Long-term debt due within one year (Note 5)	4,184	4,439
Total current liabilities	**100,881**	**86,861**
Long-term debt (Note 5)	65,544	68,346
Deferred tax liability	1,030	1,600
Retirement benefit obligation	15,765	15,887
Derivative financial liabilities (Note 6)	572	953
Other liabilities	884	1,064
Total non-current liabilities	**83,795**	**87,850**
Total liabilities	**184,676**	**174,711**
Shareholders’ equity	194,884	190,052
Non-controlling interest	341	477
Total equity	**195,225**	**190,529**
Total liabilities and equity	**379,901**	**365,240**

Contingencies (Note 10)

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

5N PLUS INC.
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF EARNINGS
For the three-month periods ended March 31, 2014 and 2013

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

	March 31, 2014	March 31, 2013
	$	$
Revenues	142,379	118,389
Cost of sales	122,743	99,388
Selling, general and administrative expenses	9,762	9,627
Other expenses	2,754	2,978
Share of loss (earnings) from joint ventures	(23)	136
	135,236	112,129
Operating income	**7,143**	**6,260**
Gain on disposal of property, plant and equipment	1,312	-
Financial expenses (income)		
Interest on long-term debt	1,140	1,842
Other interest expense	276	1,470
Foreign exchange and derivative loss (gain)	16	(3,017)
	1,432	295
Earnings before income taxes	7,023	5,965
Income tax expense	2,504	427
Net earnings for the period	**4,519**	**5,538**
Attributable to:		
Equity holders of 5N Plus Inc.	4,655	5,371
Non-controlling interest	(136)	167
	4,519	**5,538**
Earnings per share attributable to equity holders of 5N Plus Inc. (Note 9)	0.06	0.06
Basic earnings per share (Note 9)	0.05	0.07
Diluted earnings per share (Note 9)	0.05	0.07

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

5N PLUS INC.
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three-month periods ended March 31, 2014 and 2013

(Figures in thousands of United States dollars)

	March 31, 2014	March 31, 2013
	$	$
Net earnings for the period	4,519	5,538
Other comprehensive income, net of tax		
Items that may be reclassified subsequently to the consolidated statement of earnings		
Cash flow hedges, net of income tax of $(67) and $(64)	143	173
De-designation of cash flow hedges, net of income tax of $19	-	(51)
Currency translation adjustment	(74)	37
	69	159
Other comprehensive income, net of tax	**69**	**159**
Comprehensive income for the period	**4,588**	**5,697**
Attributable to equity holders of 5N Plus Inc.	4,724	5,530
Attributable to non-controlling interest	(136)	167

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

5N PLUS INC.
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three-month periods ended March 31, 2014 and 2013

(Figures in thousands of United States dollars)

	For the three-month periods ended	
	March 31, 2014	**March 31, 2013**
	$	**$**
Operating activities		
Net earnings for the period	4,519	5,538
Adjustments to reconcile net earnings to cash flows		
Depreciation of property, plant and equipment and amortization of intangible assets	2,739	2,844
Amortization of other assets	190	1,465
Share-based compensation expense	108	114
Deferred income tax	110	(340)
Gain on disposal of property, plant and equipment	(1,312)	-
Share of (earnings) loss from joint ventures	(23)	136
Unrealized gain on non-hedge financial instruments	-	(3,004)
Unrealized foreign exchange loss (gain) on assets and liabilities	475	(2,145)
	6,806	4,608
Net change in non-cash working capital balances related to operations (Note 8)	(9,553)	6,244
Cash flows (used in) from operating activities	**(2,747)**	**10,852**
Investing activities		
Acquisition of property, plant and equipment	(2,229)	(2,518)
Proceeds on disposal of property, plant and equipment	1,955	-
Acquisition of intangible assets	-	(139)
Temporary investments (restricted)	(58)	71
Cash flows used in investing activities	**(332)**	**(2,586)**
Financing activities		
Repayment of long-term debt	(3,057)	(9,240)
Net (decrease) increase in bank indebtedness and short-term debt	(126)	3,138
Financial instruments – net	747	62
Cash flows used in financing activities	**(2,436)**	**(6,040)**
Effect of foreign exchange rate changes on cash and cash equivalents	**(26)**	**460**
Net (decrease) increase in cash and cash equivalents	**(5,541)**	**2,686**
Cash and cash equivalents at beginning of period	22,427	9,535
Cash and cash equivalents at end of period	**16,886**	**12,221**

Supplemental information(1)		
Income tax refunded	(2,485)	(4,062)
Interest paid	1,288	868

(1) Amounts (recovered) paid for interest and income tax were reflected as cash flows from operating activities in the interim consolidated statements of cash flows.

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

5N PLUS INC.
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the three-month periods ended March 31, 2014 and 2013

(Figures in thousands of United States dollars, except number of shares)

	March 31, 2014		March 31, 2013	
Total Equity	**Number of shares**	**Amount**	**Number of shares**	**Amount**
		$		**$**
Shareholders' Equity				
Balance at beginning of period	83,908,269	343,272	83,908,269	343,272
Balance at end of period	**83,908,269**	**343,272**	**83,908,269**	**343,272**
Contributed Surplus				
Balance at beginning of period		3,747		3,180
Share-based compensation expense		108		114
Balance at end of period		**3,855**		**3,294**
Deficit				
Balance at beginning of period		(155,412)		(198,073)
Net earnings attributable to equity holders of 5N Plus Inc. for the period		4,655		5,371
Balance at end of period		**(150,757)**		**(192,702)**
Accumulated Other Comprehensive Loss				
Balance at beginning of period		(1,555)		(3,424)
Cash flow hedges, net of income tax of ($67) and ($64)		143		173
De-designation of cash flow hedges net of income tax of $19		-		(51)
Currency translation adjustment		(74)		37
Balance at end of period		**(1,486)**		**(3,265)**
Total shareholders' equity at end of period		**194,884**		**150,599**
Non-Controlling Interest				
Balance at beginning of period		477		358
Share of earnings (loss)		(136)		167
Balance at end of period		**341**		**525**
Total Equity		**195,225**		**151,124**

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

(Figures in thousands of United States dollars, unless otherwise indicated)

NOTE 1 – GENERAL INFORMATION

Nature of operations

5N Plus Inc. ("5N Plus" or the "Company") is a Canadian-based international company. 5N Plus is a producer of specialty metal and chemical products. Fully integrated with closed-loop recycling facilities, the Company's head office is located at 4385 Garand Street, Saint-Laurent, Quebec (Canada) H4R 2B4. The Company operates manufacturing facilities and sales offices in several locations in Europe, the Americas and Asia. The Company's shares are listed on the Toronto Stock Exchange ("TSX"). 5N Plus and its subsidiaries represent the "Company" mentioned throughout these interim condensed consolidated financial statements. The Company has two reportable business segments, namely Electronic Materials and Eco-Friendly Materials.

The Electronic Materials segment is headed by a vice president who oversees locally managed operations in North America, Europe and Asia. Its main products are associated with the following metals: cadmium, gallium, germanium, indium and tellurium. These metals are sold as elements, alloys, chemicals and compounds.

The Eco-Friendly Materials segment is headed by a vice president who oversees locally managed operations in Europe and China. It manufactures and sells refined bismuth and bismuth chemicals, low melting-point alloys, as well as refined selenium and selenium chemicals.

The Company's operations are not subject to seasonal fluctuations.

These unaudited interim condensed consolidated financial statements were authorized for issuance by the Company's Board of Directors on May 6, 2014.

NOTE 2 – BASIS OF PRESENTATION

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and as applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, "Interim Financial Reporting". These interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the years ended December 31, 2013 and December 31, 2012, which have been prepared in accordance with IFRS as issued by the IASB.

The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

Income taxes

Taxes on income in interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(Figures in thousands of United States dollars, unless otherwise indicated)

NOTE 3 – ACCOUNTING POLICIES

The accounting policies followed in these unaudited interim condensed consolidated financial statements are consistent with those used to prepare the annual consolidated financial statements for the year ended December 31, 2013, except as described below.

Changes in accounting policies

The Company has adopted the following new and revised standards, along with any consequential amendments, effective January 1, 2014. These changes were made in accordance with the applicable transitional provisions.

International Financial Reporting Interpretations Committee Interpretation 21, "Levies", provides guidance on accounting for levies in accordance with the requirements of IAS 37, "Provisions, Contingent Liabilities and Contingent Assets". The interpretation defines a levy as an outflow from an entity imposed by a government in accordance with legislation and confirms that a liability for a levy is recognized only when the triggering event specified in the legislation occurs. The Company has applied IFRIC 21 on a retrospective basis in compliance with the transitional requirements of IFRIC 21. The application of IFRIC 21 did not result in any significant changes to the interim financial statements.

New standards not yet adopted
A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after January 1, 2015, and have not been applied in preparing these interim condensed consolidated financial statements. None of these is expected to have a significant effect on the Company's consolidated financial statements, except the following set out below.

IFRS 9, "Financial Instruments", as issued, reflects the current status of the IASB's work plan on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities, as defined in IAS 39. The IASB is also addressing hedge accounting and impairment of financial assets. In December 2013, the IASB removed the mandatory effective date of IFRS 9 until all phases of the project have been completed. The mandatory effective date has yet to be determined; however, it has been deferred beyond annual periods beginning on or after January 1, 2015.

The Company has not yet quantified the effect of the published phases of IFRS 9 nor does it intend at this time to early adopt IFRS 9 until the mandatory effective date.

NOTE 4 – INVENTORIES

	March 31, 2014	**December 31, 2013**
	$	**$**
Raw materials	46,410	45,356
Work-in-progress and finished goods	129,943	129,018
Total inventories	**176,353**	**174,374**

For the three-month period ended March 31, 2014, a total of $107,532 of inventories was included as an expense in cost of sales ($91,769 for the three-month period ended March 31, 2013).

For the three-month periods ended March 31, 2014 and 2013, a total of $1,054 and $6,465 of inventories previously written down was recognized as a reduction of expenses in cost of sales.

The majority of inventories are pledged as security for the senior secured revolving facility (Note 5).

(Figures in thousands of United States dollars, unless otherwise indicated)

NOTE 5 – LONG-TERM DEBT

Long-term debt

	March 31, 2014	December 31, 2013
	$	$
Unsecured balance of holdback to the former shareholders of MCP for an amount of €2,500. The holdback is repayable in April 2014	3,448	3,448
Senior secured revolving facility of $100,000 with a syndicate of banks, maturing in August 2015(1)	65,000	68,020
Term loan, non-interest bearing, repayable under certain conditions, maturing in 2023. If the loan has not been repaid in full by the end of 2023, the balance will be forgiven(2)	736	733
Other loans	544	584
	69,728	72,785
Less: Current portion of long-term debt	4,184	4,439
	65,544	**68,346**

(1) In March 2013, the Company signed an amendment to its senior secured multi-currency revolving credit facility, under which the facility was reduced to $100,000 starting March 31, 2013. The amendment established new financial covenants for the year 2013 and maintained the original maturity (August 2015). The interest rate was changed and is linked to the Debt/EBITDA ratio, and can vary from LIBOR, banker's acceptance rate or EURIBOR plus 3.00% to 4.50% or US base rate or prime rate plus 2.00% to 3.50%. Standby fees from 0.75% to 1.125% are paid on the unused portion. At any time, the Company has the option to request that the credit facility be expanded to $140,000 through the exercise of an additional $40,000 accordion feature, subject to review and approval by the lenders. This revolving credit facility can be drawn in US dollars, Canadian dollars or Euros. The amount drawn as at March 31, 2014 and as at December 31, 2013 is in US dollars. The facility is subject to covenants. As at March 31, 2014, the Company has met all covenants.

(2) The term loan is classified as short-term debt since these amounts could become payable on demand.

NOTE 6 – CATEGORIES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value

All financial assets classified as loans and receivables, as well as financial liabilities classified as other liabilities are initially measured at their fair values and subsequently at their amortized cost using the effective interest method. All financial assets and financial liabilities classified as held for trading are measured at their fair values. Gains and losses related to periodic revaluations are recorded in net earnings (loss).

The Company has determined that the carrying value of its short-term financial assets and financial liabilities, including cash and cash equivalents, temporary investments (restricted), accounts receivable, bank indebtedness and short-term debt, and trade and accrued liabilities approximates their fair value due to the short-term maturities of these instruments.

As at March 31, 2014, the fair value of long-term debt approximates its carrying value and is calculated using the present value of future cash flows at the year-end rate for similar debt with the same terms and maturities.

(Figures in thousands of United States dollars, unless otherwise indicated)

The following table presents financial assets and financial liabilities measured at fair value in the interim consolidated statements of financial position in accordance with the fair value hierarchy. This hierarchy groups financial assets and financial liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and financial liabilities. The fair value hierarchy has the following levels:

- Level 1: unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in which the financial asset or financial liability is classified is determined based on the lowest level of significant input to the fair value measurement. The financial assets and financial liabilities measured at fair value in the interim consolidated statements of financial position are grouped into the fair value hierarchy as follows:

As at March 31, 2014	**Level 1**	**Level 2**
	$	**$**
Financial assets (liabilities)		
Interest rate swap	-	(2,288)
Foreign exchange forward contracts	-	(1,121)
Derivative forward contracts	-	283
Warrants	(758)	-
Total	**(758)**	**(3,126)**

As at December 31, 2013	**Level 1**	**Level 2**
	$	**$**
Financial assets (liabilities)		
Interest rate swap	-	(2,588)
Foreign exchange forward contracts	-	(1,468)
Derivative forward contracts	-	955
Warrants	(181)	-
Total	**(181)**	**(3,101)**

Derivative assets and liabilities

The Company currently has derivative financial instruments which relate to the following:

- Interest rate swap to fix the interest rate on part of its revolving credit facility;
- Foreign exchange forward contracts to sell US dollars in exchange for Euros or Canadian dollars; and to sell Euros in exchange for US dollars, related to hedge strategies;
- Derivative forward contracts to sell precious metals at a fixed price; and
- Warrants.

(Figures in thousands of United States dollars, unless otherwise indicated)

The derivative financial instruments are measured at fair value as follows:

Assets (liabilities)	**March 31, 2014**	**December 31, 2013**
	$	**$**
Interest rate swap[1]	(2,288)	(2,588)
Foreign exchange forward contracts	(1,121)	(1,468)
Derivative forward contracts[2]	283	955
Warrants	(758)	(181)
Total	**(3,884)**	**(3,282)**

(1) The interest rate swap has a nominal value of $100,000 commencing in January 2013 and ending in August 2015. Under this swap, the Company will pay a fixed interest rate of 1.82%. The Company received $1,700 when entering into this forward starting interest rate swap in September 2011. This amount forms part of the fair value that is recorded as a long-term liability. The Company initially designated this contract as a cash flow hedge of anticipated variable payments of interest on a nominal amount of $100,000 of the revolving line of credit, and the change in its fair value was recorded in the consolidated statements of comprehensive income. On September 4, 2012, the Company repaid part of its credit facility and de-designated $30,000 of nominal value of the swap. The Company reclassified the estimated fair value of this portion of the swap from accumulated other comprehensive income to unrealized loss de-designation within the consolidated statement of earnings.

The Company assessed the effectiveness of the cash flow hedge as at March 31, 2014.

(2) In February 2014, the Company entered into two new derivative forward contracts to sell silver at a fixed price to cover purchases of materials containing the precious metal. The first contract fixes the price at $21.83 per ounce as at August 5, 2014 and its nominal value is approximately $1,900. This contract replaces the previous one that had been entered into in March 2013 and for which the Company received $747 on early settlement during this quarter. The second contract fixes the price at $20.86 per ounce as at February 3, 2015 and its nominal value is approximately $2,200. Gains or losses on these derivative forward contracts are recorded as part of the cost of sales.

(Figures in thousands of United States dollars, unless otherwise indicated)

NOTE 7 – OPERATING SEGMENTS

The following tables summarize the information reviewed by the Company's management when measuring performance:

For the three-month period ended March 31, 2014	Eco-Friendly Materials	Electronic Materials	Corporate and Unallocated	Total
	$	$	$	$
Segment revenues	**94,238**(3)	**48,141**(3)	**-**	**142,379**
Adjusted EBITDA(1)	6,405(4)	6,948(4)	(2,852)	10,501
Interest on long-term debt and other interest expense	-	-	1,416	1,416
Litigation and restructuring costs	285	128	206	619
Foreign exchange and derivative loss (gain)(2)	-	-	16	16
Gain on disposal of property, plant and equipment	(748)	(564)	-	(1,312)
Depreciation and amortization	606	2,093	40	2,739
Earnings (loss) before income tax	6,262	5,291	(4,530)	7,023
Capital expenditures	**913**	**1,301**	**15**	**2,229**

For the three-month period ended March 31, 2013	Eco-Friendly Materials	Electronic Materials	Corporate and Unallocated	Total
	$	$	$	$
Segment revenues	**70,033**(3)	**48,356**(3)	**-**	**118,389**
Adjusted EBITDA(1)	5,067(4)	7,078(4)	(2,030)	10,115
Interest on long-term debt and other interest expense	-	-	3,312	3,312
Litigation and restructuring costs	87	56	868	1,011
Foreign exchange and derivative loss (gain)(2)	-	-	(3,017)	(3,017)
Depreciation and amortization	1,220	1,580	44	2,844
Earnings (loss) before income tax	3,760	5,442	(3,237)	5,965
Capital expenditures	**1,650**	**868**	**-**	**2,518**

(1) Earnings (loss) before income tax, depreciation and amortization, and the following: financial expense (income), litigation and restructuring costs, impairment of inventories, reversal of impairment of property, plant and equipment, impairment of property, plant and equipment, of intangible assets and goodwill, acquisition-related costs, and gain or loss on disposal of property, plant and equipment.

(2) The foreign exchange and derivative loss (gain) excludes the loss (gain) on foreign exchange forward contracts on US$/CA$ recorded as part of wages and salaries and the loss (gain) on derivative forward contracts to sell silver metal recorded as part of cost of goods sold.

(3) The total revenues of $12,436 from the recycling and trading of complex materials is allocated to the Eco-Friendly materials and Electronic materials segments ($8,537 for the three-month period ended March 31, 2013).

(4) The total adjusted EBITDA of $1,361 from the recycling and trading of complex materials is allocated to the Eco-Friendly materials and Electronic materials segments ($1,084 for the three-month period ended March 31, 2013).

(Figures in thousands of United States dollars, unless otherwise indicated)

As at March 31, 2014	**Eco-Friendly Materials**	**Electronic Materials**	**Corporate and Unallocated**	**Total**
	$	**$**	**$**	**$**
Total assets excluding the following:	169,028	190,729	6,970	366,727
Investments accounted for using equity method	-	467	-	467
Deferred tax asset	8,933	3,774	-	12,707

As at December 31, 2013	**Eco-Friendly Materials**	**Electronic Materials**	**Corporate and Unallocated**	**Total**
	$	**$**	**$**	**$**
Total assets excluding the following:	154,309	189,397	7,703	351,409
Investments accounted for using equity method	-	444	-	444
Deferred tax asset	9,451	3,936	-	13,387

The geographic distribution of the Company's revenues based on the location of the customers for the three-month periods ended March 31, 2014 and 2013, and the identifiable non-current assets as at March 31, 2014 and December 31, 2013 are summarized as follows:

Revenues	**March 31, 2014**	**March 31, 2013**
	$	**$**
Asia		
China	5,041	7,547
Japan	2,827	2,174
Others	24,510	23,808
America		
United States	30,490	25,034
Others	11,628	5,517
Europe		
Germany	27,384	19,060
France	8,589	5,443
United Kingdom	5,712	5,414
Others	24,005	22,426
Other	2,193	1,966
Total	**142,379**	**118,389**

For the three-month period ended March 31, 2014, two customers represented approximately 23.5% of revenues. Of this amount, 10.9% is included in Electronic Materials revenues and 12.6% is included in Eco-Friendly Materials revenues. For the three-month period ended March 31, 2013, one customer represented approximately 12.9% of revenues and this amount is included in Electronic Materials revenues.

(Figures in thousands of United States dollars, unless otherwise indicated)

Non-current assets as at	**March 31, 2014**	**December 31 2013**
	$	**$**
Asia		
Hong Kong	8,095	8,510
Others	11,347	11,295
United States	6,271	6,634
Canada	18,947	20,552
Europe		
Germany	27,568	28,635
Belgium	11,534	11,874
Others	5,921	6,133
Total	**89,683**	**93,633**

NOTE 8 – SUPPLEMENTAL CASH FLOW INFORMATION

Net change in non-cash working capital balances related to operations consists of the following:

	For the three-month period ended March 31, 2014	**For the three-month period ended March 31, 2013**
	$	**$**
Decrease (increase) in assets:		
Accounts receivable	(22,502)	4,991
Inventories	(1,979)	(254)
Income tax receivable	1,826	4,074
Other current assets	(1,544)	-
Increase (decrease) in liabilities:		
Trade and accrued liabilities	11,729	(1,594)
Income tax payable	2,917	(973)
Net change	**(9,553)**	**6,244**

The interim consolidated statements of cash flows exclude or include the following transactions:

	March 31, 2014	**March 31, 2013**
	$	**$**
a) Exclude additions unpaid at end of period:		
Additions to property, plant and equipment	346	325
b) Include additions unpaid at beginning of period:		
Additions to property, plant and equipment	1,637	1,394

(Figures in thousands of United States dollars, unless otherwise indicated)

NOTE 9 – EARNINGS PER SHARE

The following table reconciles the numerators and denominators used for the computation of basic and diluted loss per share:

Numerators	**For the three-month period ended March 31, 2014**	**For the three-month period ended March 31, 2013**
	$	**$**
Net earnings attributable to equity holders of 5N Plus Inc.	**4,655**	**5,371**
Net earnings for the period	**4,519**	**5,538**

Denominators	**For the three-month period ended March 31, 2014**	**For the three-month period ended March 31, 2013**
Weighted average number of shares outstanding – Basic	83,908,269	83,908,269
Effect of dilutive securities	230,851	20,930
Weighted average number of shares outstanding – Diluted	**84,139,120**	**83,929,199**

A total number of 942,648 stock options and a total number of 6,451,807 warrants were excluded from the computation of diluted earnings per share due to their anti-dilutive effect because of the Company’s stock price for the three-month period ended March 31, 2014.

Given the Company’s stock price for the three-month period ended March 31, 2013, most of the stock options and warrants were excluded from the weighted average number of shares outstanding – diluted due to their anti-dilutive effect.

NOTE 10 – CONTINGENCIES

Contingencies

In the normal course of operations, the Company is exposed to events that could give rise to contingent liabilities or assets. As at the date of issue of the unaudited interim condensed consolidated financial statements, the Company was not aware of any significant events that would have a material effect on its interim condensed consolidated financial statements, except for the following.

(Figures in thousands of United States dollars, unless otherwise indicated)

As described in the annual consolidated financial statements for the year ended December 31, 2013, the Company settled its case in 2013 with the former shareholders of MCP, thereby prohibiting further related action by either party involved in the settlement. As of the date hereof, the Company does not believe that it is probable that an outflow of resources, which could be material to the financial statements, will be required by the Company following potential third party claims pertaining to actions or events related to the alleged breaches of representations and warranties by the Vendors.

NOTE 11 – FINANCIAL RISK MANAGEMENT

In the normal course of operations, the Company is exposed to various financial risks. These risks include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. For the three-month period ended March 31, 2014, the Company is not exposed to new market risks.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages liquidity risk through the management of its capital structure. It also manages liquidity risk by continually monitoring actual and projected cash flows, taking into account the Company's sales and receipts and matching the maturity profile of financial assets and financial liabilities. The Board of Directors reviews and approves the Company's annual operating and capital budgets, as well as any material transactions out of the ordinary course of business, including proposals on acquisitions and other major investments.

The following table reflects the contractual maturity of the Company's financial liabilities (including interest) as at March 31, 2014:

	Carrying amount	1 year	2-3 years	4-5 years	Beyond 5 years	Total
	$	$	$	$	$	$
Bank indebtedness and short-term debt	10,336	10,956	-	-	-	10,956
Trade and accrued liabilities	76,189	76,189	-	-	-	76,189
Derivative financial liabilities	4,167	3,595	572	-	-	4,167
Long-term debt	69,728	4,184	69,963	173	19	74,339
Total	**160,420**	**94,924**	**70,535**	**173**	**19**	**165,651**

(Figures in thousands of United States dollars, unless otherwise indicated)

NOTE 12 – EXPENSE BY NATURE

Expense by nature	**For the three-month period ended March 31, 2014**	**For the three-month period ended March 31, 2013**
	$	**$**
Wages and salaries[(1)]	11,704	10,734
Share-based compensation expense	108	114
Depreciation of property, plant and equipment and amortization of intangible assets	2,739	2,844
Amortization of other assets	190	1,465
Research and development (net of tax credit)	1,000	599
Litigation and restructuring costs	619	1,011
Gain related to the derivative forward contracts to sell silver metal	(76)	-
Gain on disposal of property, plant and equipment	(1,312)	-

(1) Includes gain on foreign exchange forward contracts related to US$/CA$ (Note 6)

NOTE 13 – SUBSEQUENT EVENTS

As at April 3, 2014, the Company acquired the remaining 33.33% ownership interest in its Sylarus subsidiary and changed its name to 5N Plus Semiconductors LLC.

As at May 2, 2014, the Company acquired all of the issued and outstanding shares in the capital of AM&M Advanced Machine and Materials Inc.