Management's
Discussion and Analysis

Three-month period
ended March 31, 2013

Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations is intended to assist readers in understanding 5N Plus Inc. (the "Company"), its business environment, strategies, performance and risk factors. This MD&A should be read in conjunction with the unaudited interim condensed consolidated financial statements for Q1 2013 and the audited consolidated financial statements and the accompanying notes for the year ended December 31, 2012. The Company's unaudited interim condensed consolidated financial statements for the three-month periods ended March 31, 2013 and 2012, have been prepared in compliance with the International Financial Reporting Standards ("IFRS") as defined in the Handbook of the Canadian Institute of Chartered Accountants and adopted by the International Accounting Standards Board ("IASB").

The "Q1 2013" and the "Q1 2012" refer to the three-month periods ended March 31, 2013 and 2012, respectively. All amounts in this MD&A are expressed in U.S. dollars, and all amounts in the tables are in thousands of U.S. dollars, unless otherwise indicated. All quarterly information disclosed in this MD&A is based on unaudited figures.

Information contained herein includes any significant developments to May 13, 2013, the date on which the MD&A was approved by the Company's board of directors. Unless otherwise indicated, the terms "we", "us" "our" and "the group" as used herein refer to the Company together with its subsidiaries.

Non-IFRS Measures

This MD&A also includes certain figures that are not performance measures consistent with IFRS. These measures are defined at the end of this MD&A under the heading Non-IFRS Measures.

Notice Regarding Forward-Looking Statements

Certain statements in this MD&A may be forward-looking within the meaning of applicable securities laws. Forward-looking information and statements are based on the best estimates available to the Company at the time and involve known and unknown risks, uncertainties or other factors that may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Factors of uncertainty and risk that might result in such differences include the risks related to the possible failure to realize anticipated benefits of acquisitions, additional indebtedness, credit, interest rate, inventory pricing, commodity pricing, legal proceedings, currency fluctuation, fair value, source of supply, environmental regulations, competition, dependence on key personnel, business interruptions, protection of intellectual property, international operations, collective agreements and being a public issuer. A description of the risks affecting the Company's business and activities appears under the heading "Risk and Uncertainties" of 5N Plus' 2012 MD&A dated March 28, 2013 and Note 13 of the unaudited interim condensed consolidated financial statements for three-month periods ended March 31, 2013 and 2012. Forward-looking statements can generally be identified by the use of terms such as "may", "should", "would", "believe", "expect", the negative of these terms, variations of them or any similar terms. No assurance can be given that any events anticipated by the forward-looking information in this MD&A will transpire or occur, or if any of them do so, what benefits that 5N Plus will derive therefrom. In particular, no assurance can be given as to the future financial performance of 5N Plus. The forward-looking information contained in this MD&A is made as of the date hereof and the Company has no obligation to publicly update such forward-looking information to reflect new information, subsequent or otherwise, unless required by applicable securities laws. The reader is warned against placing undue reliance on these forward-looking statements.

Overview

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

Reportable Segments

The Company has two reportable segments, namely Electronic Materials and Eco-Friendly Materials. Corresponding operations and activities are managed accordingly by the Company's key decision makers. Segmented operating and financial information, labelled key performance indicators, are available and used to manage these business segments, review performance and allocate resources. Financial performance of any given segment is evaluated primarily in terms of revenues and adjusted EBITDA which is reconciled to consolidated numbers by taking into account corporate income and expenses.

The Electronic Materials segment is headed by a Vice President who oversees locally managed operations in the Americas, Europe and Asia. The Electronic Materials segment manufactures and sells refined metals, compounds and alloys which are primarily used in a number of electronic applications. Typical end-markets include photovoltaics (solar energy), light emitting diodes (LED), displays, high-frequency electronics, medical imaging and thermoelectrics. Main products are associated with the following metals: cadmium, gallium, germanium, indium and tellurium. These are sold either in elemental or alloyed form as well as in the form of chemicals and compounds. Revenues and earnings associated with recycling services and activities provided to customers of the Electronic Materials segment are also included in the Electronic Materials segment and management of such activities is also the responsibility of the Electronic Materials Vice President.

The Eco-Friendly Materials segment is so labelled because it is mainly associated with bismuth, one of the very few heavy metals which have no detrimental effect on either human health or in the environment. As a result, bismuth is being increasingly used in a number of applications as a replacement for more harmful metals and chemicals. The Eco-Friendly Materials segment is headed by a Vice President who oversees locally managed operations in Europe and China. The Eco-Friendly Materials segment manufactures and sells refined bismuth and bismuth chemicals, low melting point alloys as well as refined selenium and selenium chemicals. These are used in the pharmaceutical and animal-feed industry as well as in a number of industrial applications including coatings, pigments, metallurgical alloys and electronics.

Corporate expenses associated with the head office and unallocated selling, general and administrative expenses together with financing costs, gains and/or losses on foreign exchange and derivative have been regrouped under the heading Corporate. The head office is also responsible for managing businesses which are still in the development stage and corresponding costs are netted of any revenues.

First Quarter 2013 Highlights

- EBITDA[1] for Q1 2013 of $10.1 million reached the highest level in four quarters. This compares with an EBITDA of $16.9 million for Q1 2012.

- Net debt[1] decreased to $125.8 million down from $136.5 million on December 31, 2012 and $232.1 million on March 31, 2012. Total debt also decreased to $140.3 million down from $148.4 million on December 31, 2012 and $278.1 million on March 31, 2012.

- Net earnings for Q1 2013 reached $5.5 million or $0.07 per share and adjusted net earnings[1] $6.3 million or $0.08 per share. Comparative figures for Q1 2012 were $4.9 million or $0.07 per share and $5.3 million or $0.07 per share.

- Revenues for Q1 2013 and Q1 2012 were $118.4 million and $162.2 million respectively, following a trend of decreasing underlying commodity pricing.

- Similarly the backlog[1] of orders expected to translate into sales over the following twelve months decreased to $166.3 million as at March 31, 2013 compared to $215.6 million one year earlier but remained approximately constant on a quarter-over-quarter basis at $165.8 million.

- The Company amended its senior secured multi-currency revolving credit facility under which the facility was reduced to $100 million starting March 31, 2013 and can, at any time, be expanded to $140 million at the Company's request through the exercise of an additional $40 million accordion feature, subject to review and approval by the lenders.

Earnings and EBITDA recovered during the quarter despite the fact that the Company still holds a significant proportion of fully valued inventories and the costs incurred in the restructuring of a portion of the business which is the subject of the dispute with former shareholders and directors of MCP Group SA ("MCP").

The quarter was generally characterized by healthy demand for most products which is expected in the first quarter of the year as customers replenish stock levels following year-end. Backlog and revenues were negatively impacted in the quarter by the decrease in the underlying commodity pricing but were otherwise very much in line with sales volumes for the previous fiscal year.

The Company continues to focus on improving efficiency throughout the group and at reducing costs as previously announced and remains cautiously optimistic about future prospects.

Summary of Results

	Q1 2013	Q1 2012
	$	$
Revenues	**118,389**	162,235
Operating expenses	**108,274**	145,368
EBITDA[1]	**10,115**	16,867
Litigation and restructuring costs	**1,011**	478
Interest on long-term debt and other interest	**3,312**	2,997
Foreign exchange and derivative (gain) loss	**(3,017)**	1,682
Depreciation and amortization	**2,844**	5,098
Earnings before income tax	**5,965**	6,612
Income tax	**427**	1,721
Net earnings	**5,538**	4,891
Basic earnings per share	**$0.07**	$0.07
Diluted earnings per share	**$0.07**	$0.07

[1] See Non-IFRS Measures

Revenues by Segment

	Q1 2013	Q1 2012	% Change
	$	$	
Electronic Materials Segment	**48,356**	73,365	-34%
Eco-Friendly Materials Segment	**70,033**	88,870	-21%
Total Revenues	**118,389**	162,235	-27%

Revenues decreased by 27% as compared to the prior year quarter. Revenues in Q1 2013 for the Electronic Materials segment decreased by 34% and reached $48.4 million, down from $73.4 million in Q1 2012. Eco-Friendly Materials segment revenues decreased by 21% and reached $70.0 million, down from $88.9 million. The revenues were negatively impacted by the decrease in average selling prices which dropped by approximately 25% in the quarter when compared to the corresponding period of the previous fiscal year, as a result of decreases in underlying commodity pricing combined with the new conditions of the contract with our main customer in the solar industry.

EBITDA

	Q1 2013	Q1 2012	% Change
	$	$	
Electronic Materials	**7,078**	10,766	-34%
Eco-Friendly Materials	**5,067**	10,066	-50%
Corporate	**(2,030)**	(3,965)	49%
EBITDA[1]	**10,115**	16,867	-40%
Impairment of inventory	**-**	-	-
Adjusted EBITDA[1]	**10,115**	16,867	-40%

In Q1 2013, EBITDA and adjusted EBITDA amounted to $10.1 million compared to $16.9 million in Q1 2012. Cost reduction initiatives were offset by lower level of profitability attributable to fully valued inventories resulting from the decreasing trend in underlying commodity pricing. EBITDA was also negatively impacted by the restructuring of a portion of the business which is the subject of a dispute with former shareholders and directors of MCP as described in Note 13 of the unaudited interim condensed consolidated financial statements for three-month periods ended March 31, 2013 and 2012. EBITDA and adjusted EBITDA for Q1 2013 for the Electronic Materials business unit decreased to $7.1 million down by 34.1% compared to $10.8 million in Q1 2012 and EBITDA margin was 15% and unchanged from the prior year quarter. EBITDA and adjusted EBITDA in Q1 2013 for the Eco-Friendly Materials business unit decreased to $5.1 million compared to $10.1 million in Q1 2012 and EBITDA margin was 7.2% as opposed to 11.3% in the same period a year ago.

Net earnings and Adjusted net earnings

Despite the previously noted decline in EBITDA, adjusted net earnings and net earnings rose in Q1 2013 and were $6.3 million or $0.08 per share and $5.5 million or $0.07 per share respectively. These increases reflect the combined effect of decreases in amortization and depreciation expenses, implementation of cost reduction programs throughout the second half of 2012 and a recorded gain on foreign exchange and derivative in Q1 2013, partially offset by the costs incurred in the restructuring of a portion of the business subject to the legal proceedings.

Bookings and Backlog

	BACKLOG			BOOKINGS		
	Q1 2013	Q4 2012	Q1 2012	**Q1 2013**	Q4 2012	Q1 2012
	$	$	$	**$**	$	$
Electronic Materials Segment	**92,797**	100,718	133,747	**40,435**	59,342	57,073
Eco-Friendly Materials Segment	**73,493**	65,071	81,841	**78,455**	72,744	97,573
Total	**166,290**	165,789	215,588	**118,890**	132,086	154,646

Backlog as at March 31, 2013 remained approximately constant on a quarter-over-quarter basis at $166.3 million following the expected yearly renewal pattern for most contracts. The backlog for the Electronic Materials segment stood at $92.8 million, a decrease of $7.9 million and $41.0 million over the backlog of the prior quarter and a year ago respectively. The backlog for the Eco-Friendly Materials segment stood at $73.5 million, an increase of $8.3 million over the backlog of the prior quarter and a decrease of $8.5 million over the backlog of a year ago.

[1] See Non-IFRS Measures

Bookings in Q1 2013 for the Electronic Materials segment were $40.4 million compared to $57.1 million for Q1 2012. Bookings in Q1 2013 for the Eco-Friendly Materials business unit reached $78.5 million compared to bookings of $97.6 million in Q1 2012. These decreases in both backlog and bookings are associated with decreases in expected average selling prices given the decrease in the underlying commodity pricing for the two periods considered.

Expenses

	Q1 2013	Q1 2012	% Change
	$	$	
Depreciation and amortization	**2,844**	5,098	-44%
SG&A	**9,627**	12,012	-20%
Litigation and restructuring costs	**1,011**	478	112%
Financial expenses	**295**	4,679	-94%
Income tax	**427**	1,721	-75%
Total Expenses	**14,204**	23,988	-41%

Depreciation and Amortization

As a result of impairment charges to property, plant and equipment ("PPE") and intangible assets incurred in 2012, depreciation and amortization expenses decreased to $2.8 million compared to $5.1 million in the same period a year ago.

SG&A

Selling, General and Administrative expenses were $9.6 million compared to $12.0 million for Q1 2012. This performance primarily reflects successful execution of the Company's cost reduction program.

Litigation and Restructuring costs

The Company recorded litigation and restructuring costs of $1.0 million in the current quarter mainly related to legal proceedings attorney's fees as compared to $0.5 million in employee severance costs a year ago.

Financial Expenses

Financial expenses decreased to $0.3 million for Q1 2013 compared to $4.7 million for Q1 2012 due to a foreign exchange and derivative gain of $3.0 million in Q1 2013 and lower debt levels.

The Company signed an amendment to its senior secured multi-currency revolving credit facility under which the facility was reduced to $100 million starting March 31, 2013. The amendment establishes new financial covenants for the year 2013 and maintains the original maturity (August 2015). The interest rate has been changed and is linked to the Net Senior 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 3.5%. Standby fees from 0.75% to 1.25% are paid on the unused portion. At any time, 5N Plus has the option to request that the credit facility be expanded to $140 million through the exercise of an additional $40 million accordion feature, subject to review and approval by the lenders.

The increase in other interest expense resulted mainly from the write-off of unamortized deferred financing costs of $1.2 million included in the financial expenses related to the revolving credit facility.

Income Taxes

For Q1 2013, income tax was $0.4 million compared to $1.7 million for Q1 2012, representing effective tax rates of 7.0% and 26.0% respectively. Effective income tax rate is lower in Q1 2013 due to non-taxable foreign exchange gains, losses carried forward for which no deferred tax asset was recognized and benefits arising from financing structures.

Management's Discussion and Analysis

Liquidity and Capital Resources

	Q1 2013	Q1 2012	% Change
	$	$	
Funds from operations[1]	4,608	11,236	-59%
Net changes in non-cash working capital items	6,244	26,971	-77%
Operating activities	10,852	38,207	-72%
Investing activities	(2,586)	13,287	-119%
Financing activities	(6,040)	(68,476)	91%
Effect of foreign exchange rate changes on cash and cash equivalents related to operations	460	(423)	209%
Net increase (decrease) in cash and cash equivalents	2,686	(17,405)	115%

Cash generated by operating activities was $10.9 million in Q1 2013 compared to $38.2 million in Q1 2012. This decrease is mainly due to the timing of other working capital changes and to the decrease in inventory in the same period a year ago.

Investing activities consumed $2.6 million in Q1 2013 compared to cash provided of $13.3 million in the same period a year ago. In the quarter ended March 31, 2012, the Company generated $18.1 million due to a reduction of temporary investments resulting from a repayment of loans in Hong Kong dollars.

Cash used in financing activities amounted to $6.0 million in Q1 2013 compared to $68.5 million in Q1 2012 resulting mainly from reduction of indebtedness during 2012.

Working Capital

	As at March 31, 2013	As at December 31, 2012
	$	$
Inventories	170,547	170,293
Other current assets	116,847	121,144
Current liabilities	(100,523)	(104,789)
Working capital[1]	186,871	186,648
Working capital current ratio[1]	2.86	2.78

Working capital was stable and amounted to $186.9 million as at March 31, 2013, unchanged from December 31, 2012.

Net Debt

	As at March 31, 2013	As at December 31, 2012
	$	$
Bank indebtedness and short-term debt	11,152	8,014
Long-term debt including current portion	129,166	140,425
Total Debt	140,318	148,439
Cash and cash equivalents and temporary investments (restricted)	(14,507)	(11,892)
Net Debt[1]	125,811	136,547

Net debt after taking into account cash and cash equivalents and restricted temporary investments amounted to $125.8 million as at March 31, 2013 compared to $136.5 million as at December 31, 2012. The Company continued to focus to reduce its debt levels with repayments of $9.2 million.

Funds from Operations

	Q1 2013	Q1 2012
	$	$
Funds from operations[1]	4,608	11,236
Acquisition of PPE and intangible assets	(2,657)	(4,833)
Working capital changes	6,244	26,971
Issuance of common shares	-	149
Others	2,541	(5,087)
	6,128	17,200
Total movement in net debt[1]	10,736	28,436
Net debt[1], beginning of period	(136,547)	(260,575)
Net debt[1], end of period	(125,811)	(232,139)

[1] See Non-IFRS Measures

Funds from operations decreased to $4.6 million in Q1 2013 compared to $11.2 million in Q1 2012. The decrease was mainly attributable to metal prices having weakened over the last 15 months which led to lower profit margins.

Net debt to annualized adjusted EBITDA ratio for Q1 2013 was 3.1. Annualized funds from operations generated in the same period represented 14.7% of our net debt.

	Q1 2013	Q1 2012
Net debt[1] to annualized adjusted EBITDA ratio	**3.1**	3.4
Annualized funds from operations[1] to net debt (%)	**14.7**	19.4

Share Information

	As at May 13, 2013	As at December 31, 2012
Issued and outstanding shares	**83,908,269**	83,908,269
Stock options potentially issuable	**1,555,311**	1,585,448
Warrants potentially issuable	**6,451,807**	6,451,807

Off-Balance Sheet Arrangements

The Company has certain off-balance sheet arrangements, consisting of leasing certain premises and equipment under the terms of operating leases and contractual obligations in the normal course of business.

The Company is exposed to currency risk on sales in Euro and other currencies and therefore periodically enters into foreign currency forward contracts to protect itself against currency fluctuation. The reader will find more details related to these contracts in Note 14 of the unaudited interim condensed consolidated financial statements for three-month periods ended March 31, 2013 and 2012.

The contractual maturities of the Company's financial liabilities as at March 31, 2013 are as follows:

	Carrying amount	**1 year**	**2-3 years**	**4-5 years**	**Beyond 5 years**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Bank indebtedness and short-term debt	11,152	11,871	-	-	-	11,871
Trade and accrued liabilities	57,775	57,775	-	-	-	57,775
Derivative financial instruments	4,509	1,639	2,870	-	-	4,509
Long-term debt	129,166	30,205	102,224	200	21	132,650
Total	**202,602**	**101,490**	**105,094**	**200**	**21**	**206,805**

Contingencies

In the normal course of operations, the Company is exposed to events that could give rise to contingent liabilities or assets. As at May 13, 2013, the Company was not aware of any significant events that would have a material effect on its unaudited interim condensed consolidated financial statements, except for the legal proceedings and related matters described in Note 13 of the unaudited interim condensed consolidated financial statements for three-month periods ended March 31, 2013 and 2012.

Governance

As required by Multilateral Instrument 52-109 of the Canadian Securities Administrators («MI 52-109 »), 5N Plus has filed certificates signed by the Chief Executive Officer and the Chief Financial Officer that, among others, attest to the design of the disclosure controls and procedures and the design and effectiveness of internal control over financial reporting.

Disclosure Controls and Procedures

The Chief Executive Officer and the Chief Financial Officer have designed disclosure controls and procedures, or have caused them to be designed under their supervision, in order to provide reasonable assurance that:

[1] See Non-IFRS Measures

- material information relating to the Company has been made known to them; and
- information required to be disclosed in the Company's filings is recorded, processed, summarized and reported within the time periods specified in securities legislation.

An evaluation was carried out, under the supervision of the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures. Based on this evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the disclosure controls and procedures are effective.

Internal Control over Financial Reporting

The Chief Executive Officer and the Chief Financial Officer have also designed internal controls over financial reporting, or have caused them to be designed under their supervision, in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

An evaluation was carried out under the supervision of the Chief Executive Officer and the Chief Financial Officer, of the design of the Company's internal controls over financial reporting. Based on this evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the internal controls over financial reporting are effective, using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Changes in Internal Control over Financial Reporting

No changes were made to our internal controls over financial reporting during the first quarter ended March 31, 2013 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Accounting Policies and Changes

The accounting policies followed in the unaudited condensed consolidated interim financial statements are consistent with those of the previous financial year, except as described below.

Changes in Accounting Policies

The Company has adopted the amendments to IAS 1 effective January 1, 2013. These amendments required the Company to group other comprehensive income items by those that will be reclassified subsequently to profit or loss and those that will not be reclassified. The Company has reclassified comprehensive income items of the comparative period. These changes did not result in any adjustments to other comprehensive income or comprehensive income.

IAS 19, "Employee Benefits", was amended in June 2011. The impact on the Company is as follows: to immediately recognize all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). The Company assessed its conclusions on January 1, 2013 and the impact of the adoption of IAS 19 is presented in Note 4 of the unaudited interim condensed consolidated financial statements for the three-month period ended March 31, 2013.

IFRS 10, "Consolidated Financial Statements", builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Company assessed its consolidation conclusions on January 1, 2013 and the impact of the adoption did not result in any change in the consolidation status of any of its subsidiaries and investees.

IFRS 12, "Disclosures of Interests in Other Entities", includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special-purpose vehicles and other off-balance sheet vehicles. The Company assessed its disclosure requirements on January 1, 2013 and determined that the adoption of IFRS 12 did not result in any change in the disclosure interest.

IFRS 13, "Fair value measurement", provides a single framework for measuring fair value. The measurement of the fair value of an asset or liability is based on assumptions that market participants would use when pricing the asset or liability under current market conditions, including risk assumptions. The Company adopted IFRS 13 on January 1, 2013 on a prospective basis. The adoption of IFRS 13 did not require any adjustments to valuation techniques used by the Company to measure fair value and did not result in any measurement adjustments as at January 1, 2013.

Financial Instruments and Risk Management

Fair Value of financial instruments

A detailed description of the methods and assumptions used to measure the fair value of the Company financial instruments and their fair value are discussed in Note 8 – Categories of Financial Assets and Financial Liabilities of the unaudited interim consolidated financial statements for the three-month periods ended March 31, 2013 and 2012.

Financial Risk Management

For a detailed description of nature and extent of risks arising from financial instruments, and their related risk management, refer to Note 14 of 5N Plus' unaudited interim condensed consolidated financial statements for the three-month periods ended March 31, 2013 and 2012.

Risks and Uncertainties

For a detailed description of risk factors associated with 5N Plus and its business, refer to "Risk and Uncertainties" of 5N Plus' 2012 MD&A dated March 28, 2013 and Note 13 of the unaudited interim condensed consolidated financial statements for three-month periods ended March 31, 2013 and 2012. The Company is not aware of any significant changes to its risks factors from those disclosed at that time.

Non-IFRS Measures

In this Management's Report, the Company's management uses certain measures which are not in accordance with IFRS. Non-IFRS measures are useful supplemental information but may not have a standardized meaning according to IFRS.

Backlog represents the expected value of orders we have received but have not yet executed and that are expected to translate into sales within the next 12 months. Bookings represents the value of orders received during the period considered and is calculated by adding revenues to the increase or decrease in backlog for the period considered. We use backlog to provide an indication of expected future revenues, and bookings to determine our ability to sustain and increase our revenues.

EBITDA means net earnings (loss) before financial expenses (income), income taxes, depreciation and amortization, impairment or reversal of impairment of PPE and intangible assets, impairment of goodwill, litigation and restructuring costs and acquisition-related costs. We use EBITDA because we believe it is a meaningful measure of the operating performance of our ongoing business without the effects of certain expenses. The definition of this non-IFRS measure used by the Company may differ from that used by other companies.

EBITDA margin is defined as EBITDA divided by revenues.

Adjusted EBITDA means EBITDA as defined above before impairment of inventories. We use adjusted EBITDA because we believe it is a meaningful measure of the operating performance of our ongoing business without the effects of inventory write-downs. The definition of this non-IFRS measure used by the Company may differ from that used by other companies.

Adjusted EBITDA margin is defined as Adjusted EBITDA divided by revenues.

Adjusted net earnings means the net earnings (loss) before the effect of charge and reversal of impairment related to inventory, PPE and intangible assets, impairment of goodwill, litigation and restructuring costs and acquisitions costs net of the related income tax. We use adjusted net earnings (loss) because we believe it is a meaningful measure of the operating performance of our ongoing business without the effects of unusual inventory write-downs and property plant and equipment and intangible asset impairment charges, litigation and restructuring costs and acquisition costs. The definition of this non-IFRS measure used by the Company may differ from that used by other companies.

Basic adjusted net earnings (loss) per share means adjusted net earnings (loss) divided by the weighted average number of outstanding shares. We use basic adjusted net earnings (loss) per share because we believe it is a meaningful measure of the operating performance of our ongoing business without the effects of unusual inventory write-downs and property plant and equipment and intangible asset impairment charges, litigation and restructuring costs and acquisition costs per share. The definition of this non-IFRS measure used by the Company may differ from that used by other companies.

Funds from operations means the amount of cash generated from operating activities before changes in non-cash working capital balances related to operations. This amount appears directly in the consolidated statements of cash flows of the Company. We consider funds from operations to be a key measure as it demonstrates the Company's ability to generate cash necessary for future growth and debt repayment.

Net debt or net cash is a measure we use to monitor how much debt we have after taking into account cash and cash equivalents and temporary investments. We use it as an indicator of our overall financial position, and calculate it by taking our total debt, including the current portion, and subtracting cash and cash equivalents and temporary investments.

Working capital is a measure that shows us how much cash we have available for the growth of our Company. We use it as an indicator of our financial strength and liquidity. We calculate it by taking current assets and subtracting current liabilities.

Additional Information

Our common shares trade on the Toronto Stock Exchange (TSX) under the ticker symbol VNP. Additional information relating to the Company, including the Company's annual information form is available under the Company's profile on SEDAR at www.sedar.com.

Selected Quarterly Financial Information

	2013	2012				December 31, 2011		May 31, 2011
	Q1	Q4	Q3	Q2	Q1	Q2	Q1 (4 months)	Q4
	$	$	$	$	$	$	$	$
Revenues	**118,389**	128,620	120,744	140,076	162,235	149,423	242,289	121,976
EBITDA[1]	**10,115**	(18,121)	9,001	(20,474)	16,867	(26,278)	28,904	19,995
Adjusted EBITDA[1]	**10,115**	6,395	9,001	5,594	16,867	7,135	30,281	19,995
Net earnings (loss)	**5,538**	(211,953)	1,275	(22,062)	4,891	(37,397)	14,933	8,174
Basic earnings (loss) per share	**$0.07**	($2.70)	$0.02	($0.30)	$0.07	($0.53)	$0.21	$0.14
Diluted earnings (loss) per share	**$0.07**	($2.70)	$0.02	($0.30)	$0.07	($0.53)	$0.21	$0.14
Net earnings (loss) attributable to equity holders of 5N Plus	**5,371**	(212,006)	1,218	(21,922)	4,972	(37,206)	15,565	8,549
Basic earnings (loss) per share attributable to equity holders of 5N Plus	**$0.06**	($2.71)	$0.02	($0.29)	$0.07	($0.52)	$0.22	$0.14
Adjusted net earnings (loss)[1]	**6,296**	(6,880)	648	(1,911)	5,250	(92)	15,965	14,128
Basic adjusted net earnings (loss) per share[1]	**$0.08**	($0.08)	$0.01	($0.03)	$0.07	($0.01)	$0.23	$0.24
Backlog[1]	**166,290**	165,790	162,323	188,982	215,588	223,177	212,264	263,702

[1] See Non-IFRS Measures