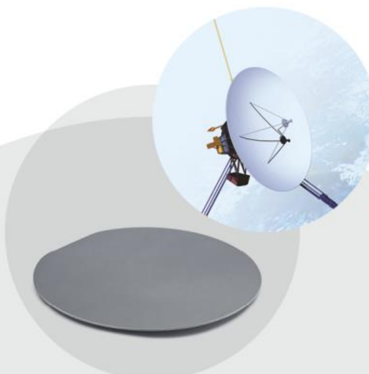

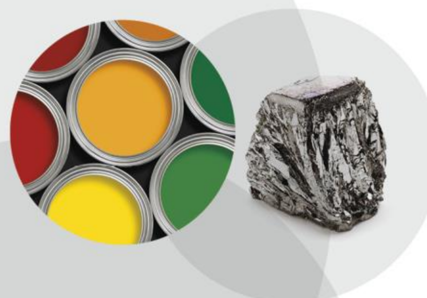

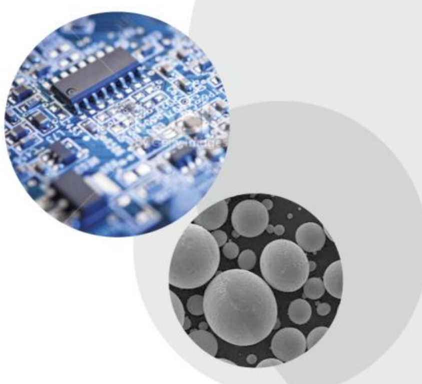

First Quarter March 31, 2014 Management Report

5N PLUS

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" or "5N Plus"), 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 2014 and the audited consolidated financial statements and the accompanying notes for the years ended December 31, 2013 and 2012. The Company's unaudited interim condensed consolidated financial statements for the three-month periods ended March 31, 2014 and 2013, have been prepared in compliance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Information contained herein includes any significant developments to May 6, 2014, 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.

The "Q1 2014" and the "Q1 2013" refer to the three-month periods ended March 31, 2014 and 2013, 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.

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. A description of the risks affecting the Company's business and activities appears under the heading "Risk and Uncertainties" of 5N Plus' 2013 MD&A dated February 25, 2014 and note 11 of the unaudited interim condensed consolidated financial statements for the three-month periods ended March 31, 2014 and 2013 available on SEDAR at www.sedar.com. 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 Asia. 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.

Highlights of Q1 2014

Best quarter performance in the last 2 years in terms of sales and EBITDA.

- Revenues for the first quarter of 2014 reached $142.4 million, their highest level since Q1 2012, which corresponds to an increase of $24 million or 20% compared to $118.4 million for the first quarter of 2013.

- EBITDA[1] for the first quarter of 2014 also reached its highest level since Q1 2012, attaining $10.5 million up from $10.1 million for the first quarter of 2013.

- Net earnings for the first quarter of 2014 reached $4.5 million or $0.05 per share compared to $5.5 million or $0.07 per share for the first quarter of 2013.

- Net debt[1] was in line with year-end 2013 and stood at $60.6 million as at March 31st, 2014 down from $125.8 million as at March 31st, 2013.

- Bookings[1] reached $159.6 million in the quarter leading to an increase in backlog[1] which now stands at $187.3 million, its highest level since Q2 2012. This represents a 34% increase in bookings and a 13% increase in backlog over the corresponding figures of the first quarter of 2013 which were $118.9 million and $166.3 million respectively.

- Richard Perron was appointed Chief Financial Officer effective March 17, 2014 and subsequently Bertrand Lessard was appointed Chief Operating Officer effective April 28, 2014.

The Company reported strong revenues and bookings in the first quarter and an improvement in profitability following increasing demand, especially for its bismuth based products, and a more favorable underlying commodity pricing trend. It also reported strong bookings and an increase in backlog reflecting the expected beginning of the year increase in demand as well as a more bullish outlook from many customers on their overall requirements.

Debt levels remained roughly constant when compared to the previous quarter despite some increases in underlying commodity prices. This is in line with the Company's efforts aimed at improving efficiency, reducing costs and working capital throughout the group.

5N Plus made further strides in the quarter towards executing on its growth plan by significantly strengthening its senior management team. Both Richard and Bertrand bring very relevant experience in closely related industries which will help the Company meet its short and long term objectives. 5N Plus also made important changes to its board of directors following the retirement of its chairman Dennis Wood, and of John Davis and expect its three new board members, Jennie Hwang, Jim Fahey and Nathalie Le Prohon, to greatly contribute to the Company future success.

[1] See Non-IFRS Measures

Summary of Results

	Q1 2014	Q1 2013
	$	$
Revenues	142,379	118,389
Operating expenses	131,878	108,274
Adjusted EBITDA[1]	10,501	10,115
Impairment of inventory	-	-
EBITDA[1]	10,501	10,115
Litigation and restructuring costs	619	1,011
Interest on long-term debt and other interest expense	1,416	3,312
Gain on disposal of property, plant and equipment	(1,312)	-
Foreign exchange and derivative loss (gain)	16	(3,017)
Depreciation and amortization	2,739	2,844
Earnings before income taxes	7,023	5,965
Income tax expense	2,504	427
Net earnings	4,519	5,538
Basic earnings per share	$0.05	$0.07
Diluted earnings per share	$0.05	$0.07

Revenues by Segment

	Q1 2014	Q1 2013	% Change
	$	$	
Electronic Materials Segment	48,141	48,356	0.%
Eco-Friendly Materials Segment	94,238	70,033	35%
Total Revenues	142,379	118,389	20%

Revenues increased by 20% as compared to the prior year quarter. Revenues in Q1 2014 for the Electronic Materials segment reached $48.1 million, slightly lower from $48.4 million in Q1 2013. Eco-Friendly Materials segment revenues increased by 35% and reached $94.2 million, up from $70.0 million. The revenues were positively impacted by the increase in average selling prices from the product sales mix achieved in Q1 2014 compared to the prior year quarter.

Net earnings and Adjusted net earnings

	Q1 2014	Q1 2013
	$	$
Net earnings	4,519	5,538
Basic net earnings per share	$0.05	$0.07
Adjusted net earnings[1]	4,916	6,296
Basic adjusted net earnings per share	$0.05	$0.08

Net earnings decreased by $1.0 million, from $5.5 million in Q1 2013 to $4.5 million in Q1 2014, idem for adjusted net earnings[1]. The decrease in net earnings compared to the prior year quarter is mostly explained by higher income taxes, partially mitigated by favorable financial expenses and gain on disposal of a property.

[1] See Non-IFRS Measures

EBITDA and Adjusted EBITDA

	Q1 2014	Q1 2013	% Change
	$	$	
Electronic Materials	6,948	7,078	2%
Eco-Friendly Materials	6,405	5,067	26%
Corporate	(2,852)	(2,030)	40%
EBITDA[1]	10,501	10,115	4%
Impairment of inventory	-	-	
Adjusted EBITDA[1]	10,501	10,115	4%

In Q1 2014, EBITDA and adjusted EBITDA amounted to $10.5 million compared to $10.1 million in Q1 2013. The EBITDA improved mainly from the increase in sales volume net of higher salary expenses for additional resources primarily under corporate R&D, and timing of R&D tax credits to be received later in 2014. EBITDA and adjusted EBITDA for Q1 2014 for the Electronic Materials business segment remained stable at $6.9 million with EBITDA margin of 15%, similar to the prior year quarter. EBITDA and adjusted EBITDA in Q1 2014 for the Eco-Friendly Materials business segment increased to $6.4 million compared to $5.1 million in Q1 2013 and EBITDA margin was 7% unchanged from the same period a year ago.

Backlog and Bookings

	BACKLOG[1]			BOOKINGS[1]		
	Q1 2014	Q4 2013	Q1 2013	Q1 2014	Q4 2013	Q1 2013
	$	$	$	$	$	$
Electronic Materials	79,362	80,382	92,797	47,121	54,337	40,435
Eco-Friendly Materials	107,968	89,691	73,493	112,516	101,800	78,455
Total	187,330	170,073	166,290	159,637	156,137	118,890

Q1 2014 vs Q4 2013

Overall the backlog, as at March 31, 2014, stood at $187.3 million following the renewal pattern of most contracts which generally occurs in the fourth quarter, or the first quarter of the year.

Backlog as at March 31, 2014, for the Electronic Materials segment stood at $79.4 million, and decreased by $1.0 million, or 1%, over the backlog of Q4 2013. The backlog for the Eco-Friendly Materials stood at $108.0 million, an increase of $18.3 million, or 20%, over the backlog of Q4 2013.

Bookings for the Electronic Materials decreased by $7.2 million, or 13%, from $54.3 million in Q4 2013 to $47.1 million in Q1 2014. Bookings for the Eco-Friendly Materials increased by $10.7 million, or 11%, from $101.8 million in Q4 2013 to $112.5 million in Q1 2014.

Q1 2014 vs Q1 2013

Backlog as at March 31, 2014, decreased by $13.4 million for the Electronic Materials and increased by $34.3 million for the Eco-Friendly Materials compared to the previous year quarter.

Bookings for the Electronic Materials increased by $6.7 million, or 17%, and by $34.1 million, or 43%, for the Eco-Friendly Materials compared to the previous year quarter.

Expenses

	Q1 2014	Q1 2013	% Change
	$	$	
Depreciation and amortization	2,739	2,844	-4%
SG&A	9,762	9,627	1%
Litigation and restructuring costs	619	1,011	-39%
Financial expense	1,432	295	385%
Income tax expense	2,504	427	486%
Total expenses	17,056	14,204	20%

[1] See Non-IFRS Measures

Depreciation and Amortization

Depreciation and amortization expenses remained stable at $2.7 million in Q1 2014, compared to $2.8 million Q1 2013.

SG&A

SG&A expenses remained similar at $9.8 million in Q1 2014, compared to $9.6 million in Q1 2013.

Litigation and Restructuring costs

The Company recorded litigation and restructuring costs of $0.6 million and $1.0 million for Q1 2014 and Q1 2013 respectively mainly related to attorney's and other professional fees for legal proceedings and employee severance costs.

Financial Expenses

Financial expenses for Q1 2014 amounted to $1.4 million compared to $0.3 million for the same period last year due to a foreign exchange and derivative gain of $3.0 million in Q1 2013, compared to a small loss of $16 thousand in Q1 2014, net of lower interest expense in Q1 2014 of $1.9 million compared to Q1 2013 from lower debt and average interest rates.

Income Taxes

For Q1 2014, income tax was $2.5 million compared to $0.4 million for Q1 2013, representing effective tax rates of 36% and 7% respectively. Effective income tax rate is higher in Q1 2014 due to taxable capital gain from disposal of property, losses carried forward for which no deferred tax asset was recognized, and a portion of foreign exchange gain not taxable in Q1 2013.

Liquidity and Capital Resources

	Q1 2014	Q1 2013	% Change
	$	$	
Funds from operations[1]	6,806	4,608	48%
Net changes in non-cash working capital items	(9,553)	6,244	-253%
Operating activities	(2,747)	10,852	-125%
Investing activities	(332)	(2,586)	-87%
Financing activities	(2,436)	(6,040)	-60%
Effect of foreign exchange rate changes on cash and cash equivalents related to operations	(26)	460	-106%
Net (decrease) increase in cash and cash equivalents	(5,541)	2,686	-306%

For Q1 2014 and 2013, cash consumed by operating activities was $2.7 million compared to cash generated of $10.9 million respectively. This decrease in 2014 is mainly attributable to the accounts receivable increase in line with higher sales revenues.

Investing activities consumed $0.3 million in Q1 2014 compared to $2.6 million in the same period a year ago. This decrease is explained by the proceeds of disposition of property for $2.0 million.

Cash consumed by financing activities amounted to $2.4 million in Q1 2014 compared to $6.0 million in Q1 2013, this reduction is associated with the important debt reduction that occurred in 2013, starting in Q1.

Working Capital

	As at March 31, 2014	As at December 31, 2013
	$	$
Inventories	176,353	174,374
Other current assets	113,865	97,233
Current liabilities	(100,881)	(86,861)
Working capital[1]	189,337	184,746
Working capital current ratio[1]	2.88	3.13

The increase in working capital is mainly due to the combined increase in the demand and commodity prices and its impact on inventory and accounts receivable. The current level is consistent with the Company's efforts aimed at reducing indebtedness and increasing financial flexibility.

[1] See Non-IFRS Measures

Net Debt

	As at March 31, 2014	As at December 31, 2013
	$	$
Bank indebtedness and short-term debt	**10,336**	10,462
Long-term debt including current portion	**69,728**	72,785
Total Debt	**80,064**	83,247
Cash and cash equivalents and temporary investments (restricted)	**(19,434)**	(24,917)
Net Debt[1]	**60,630**	58,330

Total debt decreased by $3.1 million to $80.1 million as at March 31, 2014, compared to $83.2 million as at December 31, 2013. The variation is mainly due to net reimbursement of $3.1 million.

Net debt after taking into account cash and cash equivalents and restricted temporary investments increased by $2.3 million, from $58.3 million as at December 31, 2013. The Company intends to continue reducing its debt through cost reductions and effective management of its working capital as it has done over the last several months. The current increase is mostly due to increase in sales volume and its impact on accounts receivable.

Funds from Operations

	Q1 2014	Q1 2013
	$	$
Funds from operations[1]	6,806	4,608
Net acquisition of PPE and intangible assets	(274)	(2,657)
Working capital changes	(9,553)	6,244
Others	721	2,541
	(9,106)	6,128
Total movement in net debt[1]	(2,300)	10,736
Net debt[1], beginning of period	(58,330)	(136,547)
Net debt[1], end of period	(60,630)	(125,811)

Funds from operations increased to $6.8 million in Q1 2014 compared to $4.6 million in Q1 2013. The increase was mainly attributable to the reduction of unrealized gain on non-hedge financial instruments and unrealized foreign exchange gain on assets and liabilities that occurred in Q1 2013.

	Q1 2014	Q1 2013
Net debt[1] to annualized adjusted EBITDA ratio	2.0	3.1
Annualized funds from operations[1] to net debt (%)	44.9	14.7

Net debt to annualized adjusted EBITDA ratio for Q1 2014 was 2.0. Annualized funds from operations generated in the same period represented 44.9% of our net debt.

Share Information

	As at May 6, 2014	As at December 31, 2013
Issued and outstanding shares	83,912,819	83,908,269
Stock options potentially issuable	1,731,438	1,637,951
Warrants potentially issuable and expiring on June 6, 2014	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 Notes 6 and 11 of the unaudited interim condensed consolidated financial statements for the three-month periods ended March 31, 2014 and 2013.

[1] See Non-IFRS Measures

The contractual maturities of the Company's financial liabilities as at March 31, 2014 are as follows:

	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 instruments	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

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 6, 2014, 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 10 of the unaudited interim condensed consolidated financial statements for three-month periods ended March 31, 2014 and 2013.

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:

- 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 three-month period ended March 31, 2014 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 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 the 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.

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 6 – Categories of Financial Assets and Financial Liabilities of the unaudited interim condensed consolidated financial statements for the three-month periods ended March 31, 2014 and 2013.

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 11 of 5N Plus' unaudited interim condensed consolidated financial statements for the three-month periods ended March 31, 2014 and 2013. The Company is not aware of any significant changes to its risks factors from those disclosed at that time.

Risk and Uncertainties

For a detailed description of risk factors associated with 5N Plus and its business, refer to "Risk and Uncertainties" of 5N Plus' 2013 MD&A dated February 25, 2014 and Note 11 of the unaudited interim condensed consolidated financial statements for the three-month periods ended March 31, 2014 and 2013. The Company is not aware of any significant changes to its risks factors 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, gain or loss on disposal of property, plant and equipment, impairment of goodwill, litigation and restructuring costs, acquisition-related costs and the settlement of purchase price of MCP. 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, settlement of purchase price 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, the settlement of purchase price 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, the settlement of purchase price 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 of liquid assets that is calculated by taking current assets and subtracting current liabilities. Given that the company is currently indebted, we use it as an indicator of our financial efficiency and aim to maintain it at the lowest possible level.

Working capital ratio is calculated by dividing current assets by 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

	2014	2013				2012		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
	$	$	$	$	$	$	$	$
Revenues	**142,379**	119,416	108,570	112,637	118,389	128,620	120,744	140,076
EBITDA[1]	**10,501**	7,942	5,775	(3,639)	10,115	(18,121)	9,001	(20,474)
Adjusted EBITDA[1]	**10,501**	7,942	5,775	6,543	10,115	6,395	9,001	5,594
Net earnings (loss)	**4,519**	1,638	1,323	34,281	5,538	(211,953)	1,275	(22,062)
Basic earnings (loss) per share	**$0.05**	$0.02	$0.02	$0.41	$0.07	($2.70)	$0.02	($0.30)
Diluted earnings (loss) per share	**$0.05**	$0.02	$0.02	$0.41	$0.07	($2.70)	$0.02	($0.30)
Net earnings (loss) attributable to equity holders of 5N Plus	**$4,655**	2,022	1,083	34,185	5,371	(212,006)	1,218	(21,922)
Basic earnings (loss) per share attributable to equity holders of 5N Plus	**$0.06**	$0.02	$0.01	$0.41	$0.06	($2.71)	$0.02	($0.29)
Adjusted net earnings (loss)[1]	**4,916**	2,068	1,517	959	6,296	(6,880)	648	(1,911)
Basic adjusted net earnings (loss) per share[1]	**$0.06**	$0.02	$0.02	$0.01	$0.08	($0.08)	$0.01	($0.03)
Backlog[1]	**187,330**	170,073	133,352	153,277	166,290	165,790	162,323	188,982

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.

[1] See Non-IFRS Measures