MANAGEMENT REPORT

Quarter ended
March 31, 2015

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 condensed interim consolidated financial statements for Q1 2015 and the audited consolidated financial statements and the accompanying notes for the year ended December 31, 2014. The Company's unaudited condensed interim consolidated financial statements for the three-month periods ended March 31, 2015 and 2014, has 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 5, 2015, 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 2015" and the "Q1 2014" refer to the three-month periods ended March 31, 2015 and 2014. 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' 2014 MD&A dated February 24, 2015 and note 11 of the unaudited condensed interim consolidated financial statements for the three-month periods ended March 31, 2015 and 2014, 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 operates in North America, 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 (terrestrial and spatial 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 the responsibility of the Electronic Materials executive team.

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 operates in North America, 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. Management of such activities is the responsibility of the Eco-Friendly Materials executive team.

Corporate expenses associated with the head office and unallocated selling, general and administrative expenses (SG&A) together with financial expenses (revenues) have been regrouped under the heading Corporate.

Highlights of Q1 2015

- Revenues for the first quarter reached $95.7 million down from $142.4 million for the same quarter in 2014, negatively impacted by significant underlying commodity price volatility.

- EBITDA[1] and Adjusted EBITDA[1] reached $3.4 million and $0.3 million respectively in the first quarter of 2015 compared to $11.2 million and $10.5 million for the same quarter of 2014, margins impacted by decreasing commodity price.

- Net loss for the first quarter of 2015 reached $1.9 million, compared to net earnings of $4.5 million for the first quarter of 2014.

- Net debt[1] stood at $74.9 million, down from $84.0 million as at December 31, 2014, positively impacted by working capital management.

- Backlog[1] and bookings[1] were negatively impacted by decreases in underlying commodity pricing. When normalized to account for price decrease, overall demand remains solid. Backlog of the first quarter, expressed in days, is higher than the fourth quarter and the same quarter a year ago.

It has been a difficult quarter for the Company as sharp decreases in the underlying prices of most of the commodities the Company deals with impacted negatively the margins. Demand for the majority of the Company key products, including bismuth and cadmium telluride remained healthy even though volumes and prices were in general lower than in the first quarter of 2014, which was itself a record quarter in terms of demand, compounding our decrease in revenues. Backlog and bookings were also negatively impacted by decreases in underlying commodity pricing but actually increased over the corresponding period of the previous fiscal year when normalized to account for this commodity decrease.

The net debt decreased in the quarter following a reduction in working capital. The Company plans on continuing to reduce debt as it decreases working capital, improves efficiency and decreases costs. This together with its efforts aimed at positioning itself throughout the value chain, will remain our main priorities for the upcoming quarters. Despite their negative impact which is likely to continue in the second quarter, current underlying commodity pricing trends are also providing the Company with opportunities to create value as it optimizes its procurement and inventory management practices. The Company expects this to lead to a further strengthening of its operational performance and enables it to be better positioned to execute on its added-value and supply integration strategy.

[1] See Non-IFRS Measures

Summary of Results

	Q1 2015	Q1 2014
	$	$
Revenues	95,663	142,379
Operating expenses	95,393	131,878
Adjusted EBITDA[1]	270	10,501
Litigation and restructuring costs	-	(619)
Gain on disposal of property, plant and equipment	-	1,312
Change in fair value of debenture conversion option	713	-
Foreign exchange and derivative gain (loss)	2,423	(16)
EBITDA[1]	3,406	11,178
Interest on long-term debt, imputed interest and other interest expense	2,083	1,416
Depreciation and amortization	2,826	2,739
(Loss) Earnings before income taxes	(1,503)	7,023
Income tax (recovery) expense		
Current	(288)	2,393
Deferred	736	111
	448	2,504
Net (loss) earnings	(1,951)	4,519
Basic (loss) earnings per share	($0.02)	$0.05
Diluted (loss) earnings per share	($0.05)	$0.05

Revenues by Segment

	Q1 2015	Q1 2014	% Change
	$	$	
Electronic Materials Segment	**29,640**	48,141	(38%)
Eco-Friendly Materials Segment	**66,023**	94,238	(30%)
Total revenues	**95,663**	142,379	(33%)

Revenues decreased by 33% compared to the prior year quarter. Revenues in Q1 2015 for the Electronic Materials segment reached $29.6 million, lower from $48.1 million in Q1 2014, impacted negatively by prices and sales mix. Eco-Friendly Materials segment revenues reached $66.0 million, lower from $94.2 million in Q1 2014, impacted negatively by prices, and volumes when compared to the prior year record quarter for bismuth shipments.

Net (loss) earnings and Adjusted net (loss) earnings

	Q1 2015	Q1 2014
	$	**$**
Net (loss) earnings	**(1,951)**	4,519
Basic net (loss) earnings per share	**($0.02)**	$0.05
Reconciling items:		
Litigation and restructuring costs	-	619
Change in fair value of debenture conversion option	**(713)**	-
Income taxes on taxable items above	**192**	(222)
Adjusted net (loss) earnings[1]	**(2,472)**	4,916
Basic adjusted net earnings per share[1]	**($0.03)**	$0.06

In Q1 2015, Adjusted net earnings[1] decreased by $7.4 million from an adjusted net earnings of $4.9 million to an adjusted net loss of $2.5 million compared to the same period last year. Net loss reached $1.9 million in Q1 2015 compared to net earnings of $4.5 million for the same period last year. The decrease in net earnings compared to prior year quarter is mainly explained by lower Adjusted EBITDA mitigated by a gain on foreign exchange as well as a positive change in fair value of debenture conversion option for a total of $3.1 million.

[1] See Non-IFRS Measures

EBITDA and Adjusted EBITDA

	Q1 2015	Q1 2014	% Change
	$	$	
Electronic Materials	**3,259**	6,948	(53%)
Eco-Friendly Materials	**(641)**	6,405	(110%)
Corporate			
Research and Development	**(366)**	(306)	20%
Other	**(1,982)**	(2,546)	(22%)
Adjusted EBITDA[1]	**270**	10,501	(97%)
EBITDA[1]	**3,406**	11,178	(70%)

EBITDA[1] reached $3.4 million compared to $11.2 million, margins impacted by decreasing commodity pricing. In Q1 2015, Adjusted EBITDA amounted to $0.3 million compared to $10.5 million for the same period a year ago. The Adjusted EBITDA decreased mainly from lower selling prices compared to the same period a year ago. Adjusted EBITDA for the Electronic Materials segment decreased by $3.7 million at $3.3 million achieving an Adjusted EBITDA[1] of 11% compared to 14% for the prior year quarter. Adjusted EBITDA for the Eco-Friendly Materials segment decreased to a negative $0.6 million compared to $6.4 million in Q1 2014 with an Adjusted EBITDA margin negative of 1% compared to a positive 7% for the prior year quarter.

Bookings and Backlog

	BACKLOG[1]			BOOKINGS[1]		
	Q1 2015	Q4 2014	Q1 2014	**Q1 2015**	Q4 2014	Q1 2014
	$	$	$	**$**	$	$
Electronic Materials	**81,066**	83,676	79,362	**27,030**	45,821	47,121
Eco-Friendly Materials	**67,696**	69,483	107,968	**64,236**	84,936	112,516
Total	**148,762**	153,159	187,330	**91,266**	130,757	159,637

(number of days based on annualized revenues)	BACKLOG[1]			BOOKINGS[1]		
	Q1 2015	Q4 2014	Q1 2014	**Q1 2015**	Q4 2014	Q1 2014
Electronic Materials	**250**	182	150	**83**	100	89
Eco-Friendly Materials	**94**	87	105	**89**	106	109
Weighted average	**142**	122	120	**87**	104	102

**Bookings and backlog are also presented in number of days to normalize the impact of commodity prices.*

Q1 2015 vs Q4 2014

Overall the backlog[1] as at March 31, 2015 represented 142 days of annualized revenue, higher than the previous quarter following the renewal pattern of most contracts which generally occurs in the first and fourth quarters of the year.

Backlog as at March 31, 2015, for the Electronic Materials segment represented 250 days of annualized segment revenues increasing by 68 days, or 37%, over the backlog of Q4 2014. The backlog for the Eco-Friendly Materials segment represented 94 days of annualized segment revenues, an increase of 7 days or 8%, over the backlog of Q4 2014.

Bookings[1] for the Electronic Materials segment decreased by 17 days to 83 days compared to Q4 2014. Bookings for the Eco-Friendly Materials segment decreased by 17 days or 16%, from 106 days in Q4 2014 to 89 days in Q1 2015.

Q1 2015 vs Q1 2014

Backlog as at March 31, 2015 increased by 100 days for the Electronic Materials segment and decreased by 11 days for the Eco-Friendly Materials segment compared to the previous year quarter.

Bookings for the Electronic Materials segment decreased by 6 days, and by 20 days for the Eco-Friendly Materials segment compared to the previous year quarter.

[1] See Non-IFRS Measures

Expenses

	Q1 2015	Q1 2014	% Change
	$	$	
Depreciation and amortization	2,826	2,739	3%
SG&A	7,024	9,762	(28%)
Litigation and restructuring costs	-	619	(100%)
Financial (revenues) expenses	(1,053)	1,432	174%
Income tax expense	448	2,504	(82%)
Total expenses	9,245	17,056	(46%)

Depreciation and Amortization

Depreciation and amortization expenses in Q1 2015 and 2014 amounted to $2.8 million and $2.7 million respectively.

SG&A

For Q1 2015, SG&A expenses were $7.0 million compared to $9.8 million for the same periods of 2014. Variation is mostly explained by lower wages and professional expenses as well as favourable exchange rates across most local currency denominated expenses.

Litigation and Restructuring costs

The Company did not record any litigation and restructuring costs for Q1 2015 compared to an expense of $0.6 million for the same period a year ago. The decrease is mainly due to lower legal and other professional fees.

Financial (revenues) expenses

Financial revenues for Q1 2015 amounted to $1.1 million compared to financial expenses of $1.4 million for the same period last year. The positive variance is mainly due to higher gain on foreign exchange and derivative of $2.4 million and the positive change in the fair value of the debenture conversion option of $0.7 million partially offset by higher interest expenses, either imputed or from debt.

Income Taxes

For Q1 2015 and Q1 2014, income tax expense was $0.4 million and $2.5 million respectively, representing an effective tax rate of (30%) and 36% respectively. The effective tax rate for Q1 2015 is negative due to losses carried forward for which no deferred tax asset was recognized combined to translation in the functional currency of deferred taxes from some foreign countries.

Liquidity and Capital Resources

	Q1 2015	Q1 2014	% Change
	$	$	
Funds (used in) from operations[1]	(2,015)	6,806	(130%)
Net changes in non-cash working capital items	14,657	(9,553)	(253%)
Operating activities	12,642	(2,747)	(560%)
Investing activities	(6,188)	(332)	(1,764%)
Financing activities	(6,101)	(2,436)	150%
Effect of foreign exchange rate changes on cash and cash equivalents related to operations	(550)	(26)	2,015%
Net decrease in cash and cash equivalents	(197)	(5,541)	(96%)

For Q1 2015, cash generated by operating activities was $12.6 million compared to cash consumed by operation of $2.7 million for the same period last year. The increase is mainly attributable to a better management of non-cash working capital mainly through lower inventory and accounts receivable partially offset by lower accounts payable.

Investing activities consumed $6.2 million in Q1 2015 compared to $0.3 million in the same period a year ago. This increase is explained by an increase in acquisition of property, plant and equipment and intangible assets combined with no positive impact of any proceed on disposal of property plant and equipment this year compared to the same period a year ago.

[1] See Non-IFRS Measures

Financing activities consumed $6.1 million in Q1 2015 compared to $2.4 million in the same period a year ago. This increase is mainly explained by lower borrowing following repayment under the credit facility.

Working Capital

	As at March 31, 2015	As at December 31, 2014
	$	$
Inventories	181,405	204,454
Other current assets	88,523	93,100
Current liabilities	(54,030)	(67,992)
Working capital[1]	215,898	229,562
Working capital current ratio[1]	5.00	4.38

The decrease in working capital[1] is mainly due to a better alignment between material usage and purchases in an effort to reduce inventory as well as lower average commodity pricing during this quarter compared to the previous quarter.

Net Debt

	As at March 31, 2015	As at December 31, 2014
	$	$
Bank indebtedness	979	975
Long-term debt including current portion	45,632	51,823
Convertible debentures	42,817	46,101
Total Debt	89,428	98,899
Cash and cash equivalents and restricted cash	(14,540)	(14,892)
Net Debt[1]	74,888	84,007

Total debt decreased by $9.5 million to $89.4 million as at March 31, 2015, compared to $98.9 million as at December 31, 2014. The decrease of debt is due to the decrease in working capital.

Net debt after taking into account cash and cash equivalents and restricted cash decreased by $9.1 million, from $84.0 million as at December 31, 2014 to $74.9 million as at March 31, 2015.

Funds from Operations

	Q1 2015	Q1 2014
	$	$
Funds (used in) from operations[1]	(2,015)	6,806
Net acquisition of PPE and intangible assets	(6,254)	(274)
Working capital changes	14,657	(9,553)
Others	2,731	721
	11,134	(9,106)
Total movement in net debt[1]	9,119	(2,300)
Net debt[1], beginning of period	(84,007)	(58,330)
Net debt[1], end of period	(74,888)	(60,630)

For Q1 2015, funds used in operations decreased to $2.0 million compared to funds from operations of $6.8 million for the same period of 2014. The decrease was mitigated by favorable working capital changes.

	Q1 2015	Q1 2014
Net debt to rolling annualized adjusted EBITDA ratio	3.02	1.97
Rolling annualized funds from operations to net debt (%)	11.7%	36.7%

Net debt to rolling annualized adjusted EBITDA ratio for Q1 2015 was 3.0 versus 2.0 in Q1 2014. Rolling annualized funds from operations to net debt represented 11.7% for Q1 2015 compared to 36.7% for the same period last year.

[1] See Non-IFRS Measures

Share Information

	As at May 5, 2015	As at March 31, 2015
Issued and outstanding shares	**83,979,657**	83,979,657
Stock options potentially issuable	**1,620,760**	1,620,760
Convertible debentures potentially issuable	**9,777,777**	9,777,777

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 11 of the condensed interim consolidated financial statements for the three-month period ended March 31, 2015.

Commitments

In September 2014, the Company signed a loan agreement with one of its suppliers for the construction of manufacturing equipment in Asia. The loan bears an interest rate of 8.5%, and is guaranteed by the supplier's corporate entity. Under this agreement, the total amount can reach up to $7 million upon achievement of certain milestones. The initial tranche was disbursed on October 15, 2014. As at March 31, 2015, the amount receivable under the loan is $1.7 million ($1.8 million as at December 31, 2014). Each tranche is to be reimbursed on a monthly basis over a term of 12 months starting after each drawdown.

In the normal course of business, the Company contracted letters of credit for an amount of up to $0.5 million as at March 31, 2015 ($0.4 million as at December 31, 2014).

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 5, 2015, the Company was not aware of any significant events that would have a material effect on its consolidated financial statements.

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 other things, attest to the design of the disclosure controls and procedures and the design and effectiveness of internal controls 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 (ICFR), 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.

Based on their evaluation carried out to assess the effectiveness of the Company's internal controls over financial reporting, the Chief Executive Officer and the Chief Financial Officer have concluded that the internal controls over financial reporting were designed and operated effectively using the Internal Control – Integrated Framework (2013 Framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO 2013 Framework").

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, 2015 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Accounting Policies and Changes

The Company established its accounting policies and methods used in the preparation of its audited consolidated financial statements for the fiscal year 2014 in accordance with IFRS. The Company's significant accounting policies are described in Note 2 of the December 31, 2014 audited consolidated financial statements. The key assumptions and basis for estimates that management has made under IFRS, and their impact on the amounts reported in the consolidated financial statements and notes, remain substantially unchanged from those described in the Company's audited consolidated financial statements for the fiscal year ended December 31, 2014.

Future Changes in Accounting Policies

The following standards have been issued but are not yet effective:

In May 2014, the IASB issued IFRS 15, "Revenues from Contracts with Customers", to specify how and when to recognize revenue as well as requiring the provision of more information and relevant disclosure. IFRS 15 supersedes IAS 18, "Revenue", IAS 11, "Construction Contracts", and other revenue-related interpretations. The standard will be effective on January 1, 2018 for the Company with earlier adoption permitted. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

In July 2014, the IASB amended IFRS 9, "Financial Instruments", to bring together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39, "Financial Instruments: Recognition and Measurement". The standard supersedes all previous versions of IFRS 9 and will be effective on January 1, 2018 for the Company with earlier application permitted. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

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 17 – Categories of Financial Assets and Financial Liabilities in the 2014 consolidated financial statements of the Company.

Financial Risk Management

For a detailed description of nature and extent of risks of arising from financial instruments, and their related risk management, refer to Note 11 of the unaudited condensed interim consolidated financial statements for the three-month periods ended March 31, 2015 and 2014. 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' 2014 MD&A dated February 24, 2015. Factors of uncertainty and risks that might result in such differences include the risks related to the possible failure to realize anticipated benefits of acquisitions and investments, additional indebtedness, credit, interest rates, inventory pricing, currency fluctuation, fair value, commodity price, source of supplies, environmental regulations, competition, dependence on key personnel, business interruptions, protection of intellectual property, international operations, collective agreements and those associated with public issuer status. The company is not aware of any significant changes to its risks factors 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 orders we have received but have not yet executed and that are expected to translate into sales within the next twelve months expressed in number of days. Bookings represent orders received during the period considered, expressed in days, and is calculated by adding revenues to the increase or decrease in backlog for the period considered divided by annualized year revenues. We use backlog to provide an indication of expected future revenues in days, and bookings to determine our ability to sustain and increase our revenues.

EBITDA means net earnings (loss) before interest expenses (revenues), income taxes, depreciation and amortization. We use EBITDA because we believe it is a meaningful measure of the operating performance of our ongoing business without the effects of certain expenses. The definition of this non-IFRS measure used by the Company may differ from that used by other companies.

EBITDA margin is defined as EBITDA divided by revenues.

Adjusted EBITDA means EBITDA as defined above before impairment of inventories, litigation and restructuring costs, gain on disposal of property, plant and equipment, change in fair value of debenture conversion option, foreign exchange and derivatives loss (gain). We use adjusted EBITDA because we believe it is a meaningful measure of the operating performance of our ongoing business without the effects of inventory write-downs. The definition of this non-IFRS measure used by the Company may differ from that used by other companies.

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

Adjusted net earnings (loss) 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, change in fair value of debenture conversion option, 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, change in fair value of debenture conversion option, 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, change in fair value of debenture conversion option, 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 (used in) 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 (used in) 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 restricted cash. 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 restricted cash.

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 Data Information

The following table provides selected quarterly financial information for the years 2013 through to 2015.

(in thousands of United States dollars except per share amounts)	Q1	Q2	Q3	Q4	
Fiscal 2015					**Year to date**
Revenues	95,663	[2]	[2]	[2]	95,663
EBITDA[1]	3,406	[2]	[2]	[2]	3,406
Adjusted EBITDA[1]	270	[2]	[2]	[2]	270
Net (loss) earnings attributable to equity holders of 5N Plus	(1,949)	[2]	[2]	[2]	(1,949)
Basic (loss) earnings per share attributable to equity holders of 5N Plus	($0.02)	[2]	[2]	[2]	($0.02)
Net (loss) earnings	(1,951)	[2]	[2]	[2]	(1,951)
Basic (loss) earnings per share	($0.02)	[2]	[2]	[2]	($0.02)
Diluted earnings (loss) per share	($0.05)	[2]	[2]	[2]	($0.05)
Adjusted net (loss) earnings [1]	(2,472)	[2]	[2]	[2]	(2,472)
Basic adjusted net (loss) earnings per share[1]	($0,03)	[2]	[2]	[2]	($0,03)
Funds (used in) from operations[1]	(2,015)	[2]	[2]	[2]	(2,015)
Backlog[1]	142 days	[2]	[2]	[2]	142 days
Fiscal 2014					**Total**
Revenues	142,379	136,597	114,438	114,781	508,195
EBITDA[1]	11,178	11,524	12,721	4,021	39,444
Adjusted EBITDA[1]	10,501	10,816	8,071	5,657	35,045
Net earnings (loss) attributable to equity holders of 5N Plus	4,655	4,436	4,172	(2,451)	10,812
Basic earnings (loss) per share attributable to equity holders of 5N Plus	$0.06	$0,05	$0.05	($0.03)	$0.13
Net earnings (loss)	4,519	4,436	4,171	(2,453)	10,673
Basic earnings (loss) per share	$0.05	$0.05	$0.05	($0.03)	$0.13
Diluted earnings (loss) per share	$0.05	$0.05	($0.01)	($0.04)	$0.05
Adjusted net earnings [1]	4,916	4,303	170	1,247	10,636
Basic adjusted net earnings (loss) per share[1]	$0.06	$0.05	$-	$0.01	$0.13
Funds from operations[1]	6,806	5,774	982	4,030	17,592
Backlog[1]	120 days	100 days	109 days	122 days	122 days
Fiscal 2013					**Total**
Revenues	118,389	112,637	108,570	119,416	459,012
EBITDA[1]	12,121	38,008	6,926	6,848	63,903
Adjusted EBITDA[1]	10,115	6,543	5,775	7,942	30,375
Net earnings attributable to equity holders of 5N Plus	5,371	34,185	1,083	2,022	42,661
Basic earnings per share attributable to equity holders of 5N Plus	$0.06	$0.41	$0.01	$0,02	$0.51
Net earnings	5,538	34,281	1,323	1,638	42,780
Basic earnings per share	$0.07	$0.41	$0.02	$0.02	$0.51
Diluted earnings per share	$0.07	$0.41	$0.02	$0.02	$0.51
Adjusted net earnings [1]	6,296	959	1,517	2,068	10,840
Basic adjusted net earnings per share[1]	$0.08	$0.01	$0.02	$0.02	$0.13
Funds from operations[1]	4,608	1,560	4,822	9,043	20,033
Backlog[1]	128 days	124 days	112 days	130 days	130 days

[1] See Non-IFRS Measures
[2] Not available