5N PLUS INC.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED
JUNE 30, 2015 AND 2014

(Figures in thousands of United States dollars)

5N PLUS INC.

Condensed Interim Consolidated Statements of Financial Position

(unaudited) *(Figures in thousands of United States dollars)*	Notes	June 30 2015	December 31 2014
		$	$
ASSETS			
Current			
Cash and cash equivalents		16,519	12,777
Restricted cash		-	2,115
Accounts receivable		52,317	72,391
Inventories	4	160,947	204,454
Income tax receivable		4,437	2,705
Derivative financial assets	11	-	147
Other current assets		2,660	2,965
Total current assets		236,880	297,554
Property, plant and equipment		71,178	68,261
Intangible assets	2	5,354	15,728
Deferred tax asset		11,796	11,037
Investment accounted for using the equity method		295	316
Other assets		5,680	6,635
Total non-current assets		94,303	101,977
Total assets		**331,183**	**399,531**
LIABILITIES AND EQUITY			
Current			
Bank indebtedness		-	975
Trade and accrued liabilities		41,786	60,286
Income tax payable		5,049	6,064
Long-term debt due within one year	5	589	667
Total current liabilities		47,424	67,992
Long-term debt	5	30,045	51,156
Convertible debentures	6	44,266	46,101
Deferred tax liability		1,625	3,111
Retirement benefit obligation		14,606	16,928
Derivative financial liabilities	11	307	2,093
Other liabilities		18,272	15,711
Total non-current liabilities		109,121	135,100
Total liabilities		156,545	203,092
Shareholders' equity		174,645	196,443
Non-controlling interest		(7)	(4)
Total equity		174,638	196,439
Total liabilities and equity		**331,183**	**399,531**

Commitments and contingencies (Note 12)

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

5N PLUS INC.

Condensed Interim Consolidated Statements of (Loss) Earnings

For the three-month and six-month periods ended June 30, 2015 and 2014

(unaudited) *(Figures in thousands of United States dollars, except per share information)*	Notes	Three months 2015	Three months 2014	Six months 2015	Six months 2014
		$	$	$	$
Revenues		87,250	136,597	182,913	278,976
Cost of sales		86,624	117,041	176,546	239,784
Selling, general and administrative expenses		6,719	10,041	13,743	19,803
Other expenses	2	13,132	1,425	14,327	4,179
Share of (gain) loss from joint ventures		(57)	120	21	97
		106,418	128,627	204,637	263,863
Operating (loss) earnings		**(19,168)**	**7,970**	**(21,724)**	**15,113**
Gain on disposal of property, plant and equipment		-	-	-	1,312
Financial expenses (revenues)					
Interest on long-term debt		1,198	1,322	2,388	2,462
Imputed interest and other financial expense		1,549	409	2,442	685
Changes in fair value of debenture conversion option	11	(933)	(188)	(1,646)	(188)
Foreign exchange and derivative loss (gain)		2,362	(526)	(61)	(510)
		4,176	1,017	3,123	2,449
(Loss) earnings before income tax		(23,344)	6,953	(24,847)	13,976
Income tax (recovery) expense					
Current		316	2,002	28	4,395
Deferred		(3,196)	515	(2,460)	626
		(2,880)	2,517	(2,432)	5,021
Net (loss) earnings for the period		**(20,464)**	**4,436**	**(22,415)**	**8,955**
Attributable to:					
Equity holders of 5N Plus Inc.		(20,463)	4,436	(22,412)	9,091
Non-controlling interest		(1)	-	(3)	(136)
		(20,464)	4,436	(22,415)	8,955
(Loss) earnings per share attributable to equity holders of 5N Plus Inc.	8	(0.24)	0.05	(0.27)	0.11
Basic (loss) earnings per share	8	(0.24)	0.05	(0.27)	0.11
Diluted (loss) earnings per share	8	(0.24)	0.05	(0.27)	0.11

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

5N PLUS INC.

Condensed Interim Consolidated Statements of Comprehensive (Loss) Income

For the three-month and six-month periods ended June 30, 2015 and 2014

(unaudited) *(Figures in thousands of United States dollars)*	**Three months**		**Six months**	
	2015	**2014**	**2015**	**2014**
	$	**$**	**$**	**$**
Net (loss) earnings for the period	**(20,464)**	4,436	**(22,415)**	8,955
Other comprehensive income (loss)				
Items that may be reclassified subsequently to the condensed interim consolidated statements of (loss) earnings				
Net changes in cash flow hedges				
Effective portion of changes in fair value of cash flow hedges	-	244	-	454
Reclassification to condensed interim consolidated statements of (loss) earnings	(111)	-	(222)	-
Income taxes	30	(66)	60	(133)
	(81)	178	(162)	321
Currency translation adjustment	24	16	88	(58)
	(57)	194	(74)	263
Items that will not be reclassified subsequently to the condensed interim consolidated statements of (loss) earnings				
Remeasurement of retirement benefit obligation	2,260	(1,100)	875	(1,100)
Income taxes	(700)	340	(271)	340
	1,560	(760)	604	(760)
Other comprehensive income (loss)	**1,503**	**(566)**	**530**	**(497)**
Comprehensive (loss) income for the period	**(18,961)**	**3,870**	**(21,885)**	**8,458**
Attributable to equity holders of 5N Plus Inc.	(18,960)	3,870	(21,882)	8,594
Attributable to non-controlling interest	(1)	-	(3)	(136)

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

5N PLUS INC.
Condensed Interim Consolidated Statements of Cash Flows
For the six-month periods ended June 30, 2015 and 2014

(unaudited)

(Figures in thousands of United States dollars)	Notes	2015	2014
		$	**$**
Operating activities			
Net (loss) earnings for the period		(22,415)	8,955
Adjustments to reconcile net (loss) earnings to cash flows			
Depreciation of property, plant and equipment and amortization of intangible assets	2	17,457	5,579
Amortization of other assets		957	383
Amortization of deferred revenues		(397)	-
Impairment of inventories	4	6,500	-
Share-based compensation expense		125	204
Deferred income tax		(2,460)	782
Share of loss from joint ventures		21	97
Gain on disposal of property, plant and equipment		-	(1,312)
Imputed interest		1,418	138
Retirement benefit obligation		(119)	(327)
Change in fair value of debenture conversion option	11	(1,646)	(188)
Unrealized loss (gain) on non-hedge financial		198	(2,539)
Unrealized foreign exchange (gain) loss on assets and liabilities		(3,136)	808
Funds (used in) from operations before the following		(3,497)	12,580
Net change in non-cash working capital balances related to operations	10	37,534	(26,218)
Cash flows from (used in) operating activities		**34,037**	**(13,638)**
Investing activities			
Business acquisitions, net of cash acquired		-	(1,525)
Additions to property, plant and equipment and intangible assets		(11,567)	(5,861)
Proceeds on disposal of property, plant and equipment		-	1,955
Restricted cash		2,016	113
Cash flows used in investing activities		**(9,551)**	**(5,318)**
Financing activities			
Repayment of long-term debt		(33,979)	(36,690)
Proceeds from the issuance of long-term debt		12,834	88
Proceeds from the issuance of convertible debentures, net of transaction costs	6	-	58,062
Issue expenses related to long-term debt		(366)	-
Net decrease in bank indebtedness		(975)	(1,525)
Issuance of common shares		-	164
Financial instruments – net		(51)	1,109
Increase in other liabilities		2,100	-
Purchase of a subsidiary’s non-controlling interest including transaction costs		-	(3,050)
Cash flows (used in) from financing activities		**(20,437)**	**18,158**
Effect of foreign exchange rate changes on cash and cash equivalents		**(307)**	**26**
Net increase (decrease) in cash and cash equivalents		**3,742**	**(772)**
Cash and cash equivalents, beginning of year		12,777	22,427
Cash and cash equivalents at end of the period		16,519	21,655
Supplemental information[1]			
Income tax paid (recovered)		2,656	(2,241)
Interest paid		2,160	2,605

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

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

5N PLUS INC.

Condensed Interim Consolidated Statements of Changes in Equity

For the six-month periods ended June 30, 2015 and 2014

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

For the six-month period ended June 30, 2015	Number of shares	Share capital	Contributed surplus	Accumulated other comprehensive loss	Deficit	Total shareholders' equity	Non-controlling interests	Total equity
	Attributable to equity holders of the Company							
		$	$	$	$	$	$	$
Balance at beginning of period	83,979,657	343,506	3,914	(3,669)	(147,308)	196,443	(4)	196,439
Net loss for the period	-	-	-	-	(22,412)	(22,412)	(3)	(22,415)
Other comprehensive loss								
Net changes in cash flow hedges	-	-	-	(162)	-	(162)	-	(162)
Currency translation adjustment	-	-	-	88	-	88	-	88
Remeasurement of retirement benefit obligation	-	-	-	604	-	604	-	604
Total comprehensive loss	-	-	-	530	(22,412)	(21,882)	(3)	(21,885)
Share-based compensation	-	-	84	-	-	84	-	84
Balance at end of period	**83,979,657**	**343,506**	**3,998**	**(3,139)**	**(169,720)**	**174,645**	**(7)**	**174,638**

For the six-month period ended June 30, 2014	Number of shares	Share capital	Contributed surplus	Accumulated other comprehensive loss	Deficit	Total shareholders' equity	Non-controlling interests	Total equity
	Attributable to equity holders of the Company							
		$	$	$	$	$	$	$
Balance at beginning of period	83,908,269	343,272	3,747	(1,555)	(155,412)	190,052	477	190,529
Net earnings (loss) for the period	-	-	-	-	9,091	9,091	(136)	8,955
Other comprehensive income (loss)								
Net changes in cash flow hedges	-	-	-	321	-	321	-	321
Currency translation adjustment	-	-	-	(58)	-	(58)	-	(58)
Remeasurement of retirement benefit obligation	-	-	-	(760)	-	(760)	-	(760)
Total comprehensive income (loss)	-	-	-	(497)	9,091	8,594	(136)	8,458
Exercise of stock options	71,388	234	(70)	-	-	164	-	164
Share-based compensation	-	-	204	-	-	204	-	204
Purchase of a subsidiary non-controlling interest, including transaction costs	-	-	-	-	(2,708)	(2,708)	(342)	(3,050)
Balance at end of period	**83,979,657**	**343,506**	**3,881**	**(2,052)**	**(149,029)**	**196,306**	**(1)**	**196,305**

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

NOTE 1 – NATURE OF ACTIVITIES

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

The Company has two reportable business segments, namely Electronic Materials and Eco-Friendly Materials. The Electronic Materials segment is associated with the following metals: cadmium, gallium, germanium, indium and tellurium. These are sold as elements, alloys, chemicals and compounds. The Eco-Friendly Materials segment manufactures and sells refined bismuth and bismuth chemicals and low melting-point alloys as well as refined selenium and selenium chemicals.

These condensed interim consolidated financial statements were approved by the Board of Directors on August 4, 2015.

NOTE 2 – BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and as applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, "Interim Financial Reporting". These condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2014, which have been prepared in accordance with IFRS as issued by the IASB.

The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The accounting policies followed in these unaudited condensed interim financial statements are consistent with those of the previous financial year, with the additional policy described below.

The functional and presentation currency of the Company is the United States dollar.

Non-current assets

Assets are reviewed for an indication of impairment at each statement of financial position date upon the occurrence of events or changes in circumstances indicating that the carrying value of the assets may not be recoverable which requires significant judgment.

During the second quarter of 2015, the Company initiated an efficiency review of its global operations which included a review of the economic life and carrying value of the Company's intangible assets, which resulted in an accelerated amortization recorded in other expenses of $11,834 ($6,020 for customer relationships, $4,660 for intellectual property and development costs, $833 for technology and $321 for trade name and non-compete agreements). Following this review, management also performed an impairment test on its non-current assets, as at June 30, 2015, in accordance with IAS 36 "Impairment of assets", since the market capitalisation of the Company, at that date, was lower than the carrying amount of the net assets. As at June 30, 2015, management concluded that no impairment was required on the remaining non-current assets.

IAS 34 recognizes that the preparation of our interim financial statements generally requires a greater use of estimation methods than our annual financial statements. The main assumptions and estimates used in the discounted cash flow approach developed by the Company that are used in the preparation of the annual financial statements are prepared following our extensive annual planning process, completed annually during the fourth quarter. In the second quarter of 2015, the assumptions and estimates used in this exercise have greater measurement uncertainty than those resulting from our annual planning process. Changes in any of the assumptions or estimates used in determining the fair value less cost of disposal of our non-current assets could materially impact the impairment analysis and the estimated recovery of the Company's assets.

Income taxes

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

NOTE 3 – ACCOUNTING POLICIES

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 is expected to be mandatory 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 mandatory 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.

NOTE 4 – INVENTORIES

	June 30 2015	**December 31 2014**
	$	**$**
Raw materials	47,400	54,219
Finished goods	113,547	150,235
Total inventories	**160,947**	**204,454**

For the three-month and six-month periods ended June 30, 2015, a total of $76,518 and $157,182 of inventories was included as an expense in cost of sales ($100,372 and $207,904 for the three-month and six-month periods ended June 30, 2014). These include $6,500 of impairment of inventories for the Eco-Friendly Materials segment for the three-month and six-month periods ended June 30, 2015 (nil for the three-month and six-month periods ended June 30, 2014).

For the three-month and six-month periods ended June 30, 2015, a total of $3,117 and $8,248 of inventories previously written down was recognized as a reduction of expenses in cost of sales ($2,830 and $7,080 for the Eco-Friendly Materials segment and $287 and $1,168 for the Electronic Materials segment). For the three-month and six-month periods ended June 30, 2014, a total of $1,645 and $2,699 of inventories previously written down was recognized as a reduction of expenses in cost of sales ($895 and $1,435 for the Eco-Friendly Materials segment and $750 and $1,264 for the Electronic Materials segment).

NOTE 5 – LONG-TERM DEBT

	June 30 2015	December 31 2014
	$	$
Senior secured revolving facility of $100,000 ($125,000 as at December 31, 2014) with a syndicate of banks, maturing in August 2018(1)	30,000	51,095
Term loan, non-interest bearing, repayable under certain conditions, maturing in 2023. If the loan has not been repaid in full by the end of 2023, the balance will be forgiven(2)	574	657
Other loans	60	71
	30,634	51,823
Less: Current portion of long-term debt	**589**	**667**
	30,045	**51,156**

(1) In August 2014, the Company signed a senior secured multi-currency revolving credit facility of $125,000, maturing in August 2018, which was reduced to $100,000 in June 2015. At any time, the Company has the option to request that the credit facility be expanded to $150,000 through the exercise of an additional $50,000 ($25,000 as at December 31, 2014) accordion feature, subject to review and approval by the lenders. This revolving credit facility can be drawn in US dollars, Canadian dollars or Hong Kong dollars. Drawings bear interest at either the Canadian prime rate, US base rate, Hong Kong base rate or LIBOR, plus a margin based on the Company's senior consolidated debt to EBITDA ratio. Under the terms of its credit facility, the Company is required to satisfy certain restrictive covenants as to financial ratios, including a maximum drawing limit on the credit facility of $50,000 from June 30, 2015 until January 1, 2016 at the earliest. As at June 30, 2015, the Company has met all covenants.

In addition, in August 2014, the Company's subsidiary in Belgium entered into a bi-lateral credit facility of 5,000 Euros which is coterminous with the new senior secured multi-currency revolving credit facility, and guaranteed by the same security pool. This bi-lateral facility can be drawn in Euros or US dollars and bears interest at similar rates as the revolving credit facility. No amount was used as at June 30, 2015 and December 31, 2014.

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

In order to comply with these covenants, the Company has prepared and will need to execute on its EBITDA and cash flow estimates. Management believes that the assumptions used by the Company in preparing its estimates are reasonable and that it is not likely that the financial covenants will be violated in the next twelve months.

NOTE 6 – CONVERTIBLE DEBENTURES

In June 2014, the Company issued convertible unsecured subordinated debentures for CA$60,000 (US$55,266) and an additional over-allotment option for CA$6,000 (US$5,580) for a total of CA$66,000 (US$60,846). The convertible unsecured subordinated debentures bear interest at a rate of 5.75% per annum, payable semi-annually on June 30 and December 31, commencing on December 31, 2014. The convertible debentures are convertible at the holder's option into the Company's common shares at a conversion price of CA$6.75 per share, representing a conversion rate of 148.1 common shares per CA$1,000 principal amount of convertible debentures. The convertible debentures will mature on June 30, 2019 and may be redeemed by the Company, in certain circumstances, after June 30, 2017.

The debenture conversion option was recorded as a derivative liability (Note 11). In accordance with IFRS, an obligation to issue shares for a price that is not fixed in the Company's functional currency must be classified as a derivative liability and measured at fair value, with changes recognized in change in fair value of debenture conversion option in the consolidated statements of earnings.

The fair value of the debenture conversion option, which consists of the holder's conversion option subject to the Company's early redemption options, was estimated based on a methodology for pricing convertible bonds using an approach based on partial differential equations or binomial lattices, with the following assumptions: average expected volatility of 40%; expected dividend per share of nil; entity-specific credit spread, and expected life of 5 years. As a result, the initial fair value of the liability representing the debenture conversion option for the two tranches of the issuance of the debenture was estimated at CA$10,484 (US$9,666). Assumptions were reviewed in the valuation as at June 30, 2015 and December 31, 2014, and have not changed substantially except for the expected life of 4 years and 4.5 years respectively.

NOTE 7 – EXPENSES BY NATURE

Expenses by nature	**Three months** **2015**	**2014**	**Six months** **2015**	**2014**
	$	**$**	$	**$**
Wages and salaries	10,268	11,668[(1)]	20,464	23,372[(1)]
Share-based compensation expense	85	96	125	204
Depreciation of property, plant and equipment and amortization of intangible assets (Note 2)	14,631	2,840	17,457	5,579
Amortization of other assets	791	193	957	383
Research and development, net of tax credit	334	484	785	1,484
Litigation and restructuring costs	-	6	-	625
Impairment of inventories (Note 4)	6,500	-	6,500	-

[(1)] Includes gain on foreign exchange forward contracts related to US$/CA$ (Note 11)

NOTE 8 – (LOSS) EARNINGS PER SHARE

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

Numerators	**Three months** **2015**	**2014**	**Six months** **2015**	**2014**
	$	$	$	$
Net (loss) earnings attributable to equity holders of 5N Plus Inc.	(20,463)	4,436	(22,412)	9,091
Dilutive effect:				
Convertible debentures	-	-	-	-
Net (loss) earnings attributable to equity holders of 5N Plus Inc. adjusted for dilution effect	(20,463)	4,436	(22,412)	9,091
Net (loss) earnings for the period	(20,464)	4,436	(22,415)	8,955
Dilutive effect:				
Convertible debentures	-	-	-	-
Net (loss) earnings for the period adjusted for dilution effect	(20,464)	4,436	(22,415)	8,955

Denominators	**Three months** **2015**	**2014**	**Six months** **2015**	**2014**
Basic weighted average number of shares	83,979,657	83,926,861	83,979,657	83,917,719
Dilutive effect:				
Stock options	-	280,733	-	284,716
Convertible debentures	-	-	-	-
Diluted weighted average number of shares	83,979,657	84,207,594	83,979,657	84,202,435

For the three-month and six-month periods ended June 30, 2015, a total number of 1,588,345 stock options were excluded from the diluted weighted average number of shares due to their anti-dilutive effect. The same applies to the convertible debentures for the three-month and six-month periods ended June 30, 2015.

For the three-month and six-month periods ended June 30, 2014, a total number of 1,011,602 and 1,040,010 stock options were excluded from the diluted weighted average number of shares due to their anti-dilutive effect because of the Company's stock price. The same applies to the convertible debentures as well as the warrants which expired on June 6, 2014.

NOTE 9 – OPERATING SEGMENTS

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

For the three-month period ended June 30, 2015	**Eco-Friendly Materials**	**Electronic Materials**	**Corporate and Unallocated**	**Total**
	$	**$**	**$**	**$**
Segment revenues(1)	56,457	30,793	-	87,250
Adjusted EBITDA(2) (3)	(701)	4,533	(1,869)	1,963
Interest on long-term debt, imputed interest and other interest expense	-	-	2,747	2,747
Impairment of inventories	6,500	-	-	6,500
Change in fair value of debenture conversion option	-	-	(933)	(933)
Foreign exchange and derivative loss (gain)	-	-	2,362	2,362
Depreciation and amortization	580	14,007	44	14,631
(Loss) earnings before income tax	(7,781)	(9,474)	(6,089)	(23,344)
Capital expenditures	**2,232**	**2,980**	**101**	**5,313**

For the three-month period ended June 30, 2014	**Eco-Friendly Materials**	**Electronic Materials**	**Corporate and Unallocated**	**Total**
	$	**$**	**$**	**$**
Segment revenues(1)	92,053	44,544	-	136,597
Adjusted EBITDA(2) (3)	6,241	7,157	(2,582)	10,816
Interest on long-term debt, imputed interest and other interest expense	-	-	1,731	1,731
Change in fair value of debenture conversion option	-	-	(188)	(188)
Foreign exchange and derivative loss (gain) (4)	-	-	(526)	(526)
Litigation and restructuring costs	13	14	(21)	6
Depreciation and amortization	798	2,002	40	2,840
(Loss) earnings before income tax	5,430	5,141	(3,618)	6,953
Capital expenditures	**912**	**2,720**	**-**	**3,632**

For the six-month period ended June 30, 2015	**Eco-Friendly Materials**	**Electronic Materials**	**Corporate and Unallocated**	**Total**
	$	**$**	**$**	**$**
Segment revenues(1)	122,480	60,433	-	182,913
Adjusted EBITDA(2) (3)	(1,342)	7,792	(4,217)	2,233
Interest on long-term debt, imputed interest and other interest expense	-	-	4,830	4,830
Impairment of inventories	6,500	-	-	6,500
Change in fair value of debenture conversion option	-	-	(1,646)	(1,646)
Foreign exchange and derivative loss (gain)	-	-	(61)	(61)
Depreciation and amortization	1,147	16,225	85	17,457
(Loss) earnings before income tax	(8,989)	(8,433)	(7,425)	(24,847)
Capital expenditures	**4,769**	**6,697**	**101**	**11,567**

For the six-month period ended June 30, 2014	Eco-Friendly Materials	Electronic Materials	Corporate and Unallocated	Total
	$	$	$	$
Segment revenues[1]	186,291	92,685	-	278,976
Adjusted EBITDA[2] [3]	12,646	14,105	(5,434)	21,317
Interest on long-term debt, imputed interest and other interest expense	-	-	3,147	3,147
Change in fair value of debenture conversion option	-	-	(188)	(188)
Foreign exchange and derivative loss (gain)	-	-	(510)	(510)
Gain on disposal of property, plant and equipment	(748)	(564)	-	(1,312)
Litigation and restructuring costs	298	142	185	625
Depreciation and amortization	1,404	4,095	80	5,579
Earnings (loss) before income tax	11,692	10,432	(8,148)	13,976
Capital expenditures	**1,825**	**4,021**	**15**	**5,861**

(1) The total revenues of $7,496 and $10,048 for the three-month and six-month periods ended June 30, 2015 from the recycling and trading of complex materials is allocated to the Eco-Friendly Materials and Electronic Materials segments ($9,419 and $21,855 for the three-month and six-month periods ended June 30 2014).

(2) Earnings (loss) before income tax, depreciation and amortization, impairment of inventories, gain on disposal of property, plant and equipment, financial expense (revenues) and litigation and restructuring costs.

(3) The total adjusted EBITDA of $1,172 and $391 for the three-month and six-month periods ended June 30, 2015 from the recycling and trading of complex materials is allocated to the Eco-Friendly Materials and Electronic Materials segments ($1,511 and $2,872 for the three-month and six-month periods ended June 30, 2014).

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

As at June 30, 2015	Eco-Friendly Materials	Electronic Materials	Corporate and Unallocated	Total
	$	$	$	$
Total assets excluding the deferred tax asset:	142,950	169,681	6,756	319,387

As at December 31, 2014	Eco-Friendly Materials	Electronic Materials	Corporate and Unallocated	Total
	$	$	$	$
Total assets excluding the deferred tax asset:	187,116	193,181	8,197	388,494

The geographic distribution of the Company's revenues based on the location of the customers for the three-month and six-month periods ended June 30, 2015 and 2014, and the identifiable non-current assets as at June 30, 2015 and December 31, 2014 are summarized as follows:

	Three months		Six months	
Revenues	**2015**	**2014**	**2015**	**2014**
	$	**$**	**$**	**$**
Asia				
China	2,216	11,083	9,013	16,124
Japan	1,320	2,496	3,418	5,687
Other(1)	18,233	28,473	33,798	53,920
Americas				
United States	19,926	25,238	45,626	55,728
Other	4,610	2,940	9,623	8,163
Europe				
Germany	11,185	24,136	21,220	54,804
France	6,240	9,946	13,051	18,961
United Kingdom	1,685	6,265	5,658	11,996
Other(1)	19,831	22,053	38,271	47,416
Other	2,004	3,967	3,235	6,177
Total	**87,250**	**136,597**	**182,913**	**278,976**

(1) None exceeding 10%

For the three-month and six-month periods ended June 30, 2015, one customer represented approximately 12.6% and 11.1% of the revenues, and is included in Electronic Materials revenues. For the three-month and six-month periods ended June 30, 2014, two customers represented approximately 21.1% and 22.3% of revenues. Of these amounts, 11.3% and 11.1% are included in Electronic Materials revenues and 9.8% and 11.2% are included in Eco-Friendly Materials revenues.

Non-current assets (other than deferred tax assets)	**June 30 2015**	**December 31 2014**
	$	**$**
Asia		
Hong Kong	787	6,367
Other(1)	19,639	18,494
United States	5,075	6,918
Canada	19,922	19,434
Europe		
Belgium	10,311	10,049
Germany	22,475	24,485
Other	4,298	5,193
Total	**82,507**	**90,940**

(1) None exceeding 10%

NOTE 10 – SUPPLEMENTAL CASH FLOW INFORMATION

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

	For the six-month period ended June 30, 2015	**For the six-month period ended June 30, 2014**
	$	**$**
Decrease (increase) in assets:		
Accounts receivable	20,074	(22,810)
Inventories	37,693	(9,528)
Income tax receivable	(1,732)	3,589
Other current assets	413	1,018
(Decrease) increase in liabilities:		
Trade and accrued liabilities	(17,899)	(799)
Income tax payable	(1,015)	2,312
Net change	**37,534**	**(26,218)**

For the six-month periods ended June 30, 2015 and 2014, the condensed interim consolidated statements of cash flows exclude or include the following transactions:

	2015	**2014**
	$	**$**
a) Excluded additions unpaid at end of period:		
Additions to property, plant and equipment	4,279	4,053
b) Included additions unpaid at beginning of period:		
Additions to property, plant and equipment	5,423	1,637
c) Excluded reclassification from trade and accrued liabilities to other liabilities following new agreement with a supplier	-	8,941

NOTE 11 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is determined by reference to the available market information at the reporting date. When no active market exists for a financial instrument, the Company determines the fair value of that instrument based on valuation methodologies as discussed below. In determining assumptions required under a valuation model, the Company primarily uses external, readily observable market data inputs. Assumptions or inputs that are not based on observable market data incorporate the Company's best estimates of market participant assumptions, and are used when external data is not available. Counterparty credit risk and the Company's own credit risk are taken into account in estimating the fair value of all financial assets and financial liabilities.

The following assumptions and valuation methodologies have been used to measure fair value of financial instruments:

(i) The fair value of its short-term financial assets and financial liabilities, including cash and cash equivalents, restricted cash, accounts receivable, bank indebtedness and trade and accrued liabilities approximates their carrying value due to the short-term maturities of these instruments;
(ii) The fair value of foreign exchange forward contracts, included in derivative financial liabilities, is estimated by discounting expected future cash flows using period-end currency rate;
(iii) The fair value of the debenture conversion option, included in derivative financial liabilities, is described in Note 6;
(iv) The fair value of long-term debt and a long-term payable are estimated based on discounted cash flows using the current interest rate for instruments with similar terms and remaining maturities; and
(v) The fair value of the convertible debentures is based on quoted prices observed in active markets.

The carrying values and fair values of financial instruments, by class, are as follows as at June 30, 2015 and December 31, 2014:

As at June 30, 2015				**Carrying value**	**Fair value**
	At fair value through profit or loss	**Loans and receivables**	**Financial liabilities at amortized cost**	**Total**	**Total**
	$	**$**	**$**	**$**	**$**
Financial assets					
Cash and cash equivalents	-	16,519	-	16,519	16,519
Accounts receivable	-	52,317	-	52,317	52,317
Total	**-**	**68,836**	**-**	**68,836**	**68,836**
Financial liabilities					
Trade and accrued liabilities	-	-	41,786	41,786	41,786
Long-term debt	-	-	30,634	30,634	30,634
Convertible debentures and debenture conversion option (included in derivative financial liabilities)	307	-	44,266	44,573	41,663
Long-term payable (included in other liabilities)	-	-	13,751	13,751	13,751
Total	**307**	**-**	**130,437**	**130,744**	**127,834**

As at December 31, 2014				**Carrying value**	**Fair value**
	At fair value through profit or loss	**Loans and receivables**	**Financial liabilities at amortized cost**	**Total**	**Total**
	$	**$**	**$**	**$**	**$**
Financial assets					
Cash and cash equivalents	-	12,777	-	12,777	12,777
Restricted cash	-	2,115	-	2,115	2,115
Accounts receivable	-	72,391	-	72,391	72,391
Derivative financial assets	147	-	-	147	147
Total	**147**	**87,283**	**-**	**87,430**	**87,430**
Financial liabilities					
Bank indebtedness	-	-	975	975	975
Trade and accrued liabilities	-	-	60,286	60,286	60,286
Long-term debt	-	-	51,823	51,823	51,823
Convertible debentures and debenture conversion option (included in derivative financial liabilities)	2,093	-	46,101	48,194	49,517
Long-term payable (included in other liabilities)	-	-	12,577	12,577	12,577
Total	**2,093**	**-**	**171,762**	**173,855**	**175,178**

Fair value hierarchy

The fair value hierarchy reflects the significance of the inputs used in making the measurements and has the following levels:

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

The following table presents the financial instruments, by class, which are recognized at fair value in the condensed interim consolidated statements of financial position:

As at June 30, 2015	**Level 1**	**Level 2**	**Level 3**
	$	**$**	**$**
Financial assets (liabilities)			
At fair value through profit or loss			
Debenture conversion option (Note 6) (1)	-	-	(307)
Total	**-**	**-**	**(307)**

As at December 31, 2014	Level 1	Level 2	Level 3
	$	$	$
Financial assets (liabilities)			
At fair value through profit or loss			
Derivative forward contracts [2]	-	147	-
Debenture conversion option (Note 6) [1]	-	-	(2,093)
Total	**-**	**147**	**(2,093)**

(1) This instrument is classified as a Level 3 financial instrument, since the implied volatility is an unobservable input. The change in fair value of the debenture conversion option of $1,646 and $933 was recognized in the consolidated statement of earnings for the six-month and the three-month periods ended June 30, 2015 ($188 for the six-month and the three-month periods ended June 30, 2014).

(2) In February 2014, the Company entered into two derivative forward contracts to sell silver at a fixed price to cover purchases of materials containing the precious metal. The first contract fixed the price at $21.83 per ounce as at August 5, 2014 and its nominal value was approximately $1,900. The second contract fixed the price at $20.86 per ounce as at February 3, 2015 and its nominal value was approximately $2,200. Gains or losses on these derivative forward contracts are recorded as part of the cost of sales. In May 2014, the Company entered into two new derivative forward contracts in opposite position in order to crystallize its gain and to neutralize the impacts in the consolidated statement of earnings. As at September 30, 2014, the first contract and the contract in the opposite position matured and, as at March 31, 2015, the second contract and the contract in opposite position matured.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

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 $7,000 upon achievement of certain milestones. The initial tranche was disbursed on October 15, 2014. As at June 30, 2015, the amount receivable under the loan is $1,106 ($1,840 as at December 31, 2014). Each tranche is to be reimbursed on a monthly basis over a term of twelve months starting after each drawdown.

In the normal course of business, the Company contracted letters of credit for an amount of up to $534 as at June 30, 2015 ($439 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 the date of issue of the condensed interim consolidated financial statements, the Company was not aware of any significant events that would have a material effect on its consolidated financial statements.