

# **Opta Minerals Inc.**

**Consolidated Financial Statements**

**June 30, 2009 and December 31, 2008**

**(Unaudited)**

**Expressed in Thousands of U.S. Dollars**

**Opta Minerals Inc.**  
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**(Unaudited)**

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**Opta Minerals Inc.**  
**Consolidated Balance Sheets**  
**(Unaudited)**  
**Expressed in Thousands of U.S. Dollars**

	June 30, 2009	December 31, 2008	June 30, 2008
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents	\$ 1,872	\$ 1,377	\$ 2,832
Accounts receivable	8,753	9,133	13,576
Inventories (note 4)	18,057	22,223	21,303
Prepaid expenses and other current assets	1,885	1,793	971
Assets held for sale (note 5)	680	664	-
Income taxes recoverable	735	362	-
	<b>31,982</b>	<b>35,552</b>	<b>38,682</b>
<b>Property, Plant and Equipment</b>	<b>17,177</b>	<b>16,664</b>	<b>18,607</b>
<b>Intangible and Other Assets</b> (note 6)	<b>32,215</b>	<b>32,464</b>	<b>34,648</b>
<b>Goodwill</b>	<b>14,007</b>	<b>14,160</b>	<b>10,541</b>
<b>Future Income Taxes</b> (note 7)	<b>3,224</b>	<b>2,406</b>	<b>1,625</b>
	<b>\$ 98,605</b>	<b>\$ 101,246</b>	<b>\$ 104,103</b>
<b>Liabilities</b>			
<b>Current</b>			
Bank indebtedness	7,965	7,797	7,843
Accounts payable and accrued liabilities	7,270	7,788	7,378
Income taxes payable	-	-	93
Current portion of long-term debt	4,899	4,097	4,050
Current portion of preference shares	40	38	45
	<b>20,174</b>	<b>19,720</b>	<b>19,409</b>
<b>Long-term Debt</b>	<b>18,658</b>	<b>20,594</b>	<b>22,764</b>
<b>Other Long-term Liabilities</b>	<b>2,636</b>	<b>3,095</b>	<b>1,624</b>
<b>Future Income Taxes</b> (note 7)	<b>3,378</b>	<b>2,849</b>	<b>2,726</b>
<b>Future Income Taxes on Intangible Assets</b> (note 8)	<b>9,417</b>	<b>9,695</b>	<b>10,211</b>
	<b>54,263</b>	<b>55,953</b>	<b>56,734</b>
<b>Shareholders' Equity</b>			
<b>Capital Stock</b> (note 9)			
Authorized unlimited number of common shares and preference shares without par value			
Issued -			
18,014,536 (December 31, 2008 - 18,003,459; June 30, 2008 - 17,992,752) common shares	17,601	17,587	17,558
<b>Contributed Surplus</b> (note 9)	<b>1,803</b>	<b>1,665</b>	<b>1,477</b>
<b>Accumulated Other Comprehensive Income</b>	<b>3,886</b>	<b>4,379</b>	<b>6,121</b>
<b>Retained Earnings</b>	<b>21,257</b>	<b>21,662</b>	<b>22,213</b>
	<b>44,547</b>	<b>45,293</b>	<b>47,369</b>
<b>Non-controlling Interest</b>	<b>(205)</b>	<b>-</b>	<b>-</b>
	<b>\$ 98,605</b>	<b>\$ 101,246</b>	<b>\$ 104,103</b>

See accompanying notes

**Approved by the Board of Directors**

(signed) "Jeremy Kendall"

Director

(signed) "Victor Hepburn"

Director

**Opta Minerals Inc.**  
**Consolidated Statements of Earnings (Loss)**  
**(Unaudited)**  
**For the Three Month Periods Ended June 30, 2009 and 2008**  
**Expressed in Thousands of U.S. Dollars (except per share amounts)**

	2009	2008
<b>Revenue</b>	<b>\$ 14,339</b>	<b>\$ 25,248</b>
<b>Cost of Goods Sold (note 4)</b>	<b>11,381</b>	<b>18,650</b>
<b>Gross Profit</b>	<b>2,958</b>	<b>6,598</b>
<b>Selling, General and Administrative Expenses</b>	<b>2,426</b>	<b>2,824</b>
<b>Earnings Before Undernoted Items, and Non-controlling Interest</b>	<b>532</b>	<b>3,774</b>
Interest expense on long-term debt	288	381
Interest expense	105	113
Amortization of intangible assets	461	437
Stock compensation expense	68	56
Other (income) expense (note 12)	455	-
Foreign exchange (gain) loss	(464)	4
	<b>913</b>	<b>991</b>
<b>Earnings (Loss) Before Income Taxes and Non-controlling Interest</b>	<b>(381)</b>	<b>2,783</b>
Provision for (recovery of) income taxes (note 7)	(229)	853
<b>Net Earnings (Loss) Before Non-Controlling Interest</b>	<b>\$ (152)</b>	<b>\$ 1,930</b>
Non-controlling interest share of net earnings (loss)	(73)	-
<b>Net Earnings (Loss)</b>	<b>(79)</b>	<b>1,930</b>
Earnings per share for the year		
- Basic and diluted (note 13)	<b>\$ -</b>	<b>\$ 0.11</b>

See accompanying notes

**Opta Minerals Inc.**  
**Consolidated Statements of Earnings (Loss)**  
**(Unaudited)**  
**For the Six Month Periods Ended June 30, 2009 and 2008**  
**Expressed in Thousands of U.S. Dollars (except per share amounts)**

	2009	2008
<b>Revenue</b>	<b>\$ 29,065</b>	<b>\$ 46,618</b>
<b>Cost of Goods Sold (note 4)</b>	<b>23,649</b>	<b>34,465</b>
<b>Gross Profit</b>	<b>5,416</b>	<b>12,153</b>
<b>Selling, General and Administrative Expenses</b>	<b>4,692</b>	<b>5,732</b>
<b>Earnings Before Undernoted Items, and Non-controlling Interest</b>	<b>724</b>	<b>6,421</b>
Interest expense on long-term debt	555	769
Interest expense	262	291
Amortization of intangible assets	898	865
Stock compensation expense (note 9)	138	113
Other (income) expense (note 12)	284	-
Foreign exchange (gain) loss	(265)	163
	<b>1,872</b>	<b>2,201</b>
<b>Earnings (Loss) Before Income Taxes and Non-controlling Interest</b>	<b>(1,148)</b>	<b>4,220</b>
Provision for (recovery of) income taxes (note 7)	(538)	1,191
<b>Net Earnings (Loss) Before Non-Controlling Interest</b>	<b>\$ (610)</b>	<b>\$ 3,029</b>
Non-controlling interest share of net earnings (loss)	(205)	-
<b>Net Earnings (Loss)</b>	<b>(405)</b>	<b>3,029</b>
Earnings (loss) per share for the year		
- Basic and diluted (note 13)	<b>\$ (0.02)</b>	<b>\$ 0.17</b>

See accompanying notes

**Opta Minerals Inc.**  
**Consolidated Statements of Comprehensive Income (Loss)**  
**(Unaudited)**  
**For the Three Month Periods Ended June 30, 2009 and 2008**  
**Expressed in Thousands of U.S. Dollars**

	<b>2009</b>	2008
<b>Net Earnings (Loss)</b>	<b>\$ (79)</b>	<b>\$ 1,930</b>
<b>Other Comprehensive Income</b>		
Unrealized gain on translation of foreign operations	<b>610</b>	1,049
Transfer of realized gain on translation of foreign operations	<b>(237)</b>	-
Unrealized gain on financial derivative	<b>234</b>	166
<b>Comprehensive Income</b>	<b>\$ 528</b>	<b>\$ 3,145</b>

See accompanying notes

**Opta Minerals Inc.**  
**Consolidated Statements of Comprehensive Income (Loss)**  
**(Unaudited)**  
**For the Six Month Periods Ended June 30, 2009 and 2008**  
**Expressed in Thousands of U.S. Dollars**

	<b>2009</b>	<b>2008</b>
<b>Net Earnings (Loss)</b>	<b>\$ (405)</b>	<b>\$ 3,029</b>
<b>Other Comprehensive Income</b>		
Unrealized (loss) gain on translation of foreign operations	<b>(315)</b>	2,936
Transfer of realized gain on translation of foreign operations	<b>(461)</b>	(75)
Unrealized gain (loss) on financial derivative	<b>283</b>	(221)
<b>Comprehensive Income (Loss)</b>	<b>\$ (898)</b>	<b>\$ 5,669</b>

See accompanying notes

**Opta Minerals Inc.****Consolidated Statements of Retained Earnings and Accumulated Other Comprehensive Income (Loss)  
(Unaudited)**

For the Three Month Periods Ended June 30, 2009 and 2008

Expressed in Thousands of U.S. Dollars

	2009	2008
<b>Retained Earnings - Beginning of Period</b>	<b>\$ 21,336</b>	<b>\$ 20,283</b>
Net earnings (loss)	(79)	1,930
<b>Retained Earnings - End of Period</b>	<b>\$ 21,257</b>	<b>\$ 22,213</b>

	Cumulative Translation Adjustments	Unrealized Loss on Financial Derivatives	Three Month Period Ended June 30, 2009
<b>Accumulated Other Comprehensive Income (Loss) – March 31, 2009</b>	<b>\$ 4,521</b>	<b>\$ (1,242)</b>	<b>\$ 3,279</b>
Unrealized gain on translation of foreign operations	610	-	610
Transfer of realized gain on translation of foreign operations	(237)	-	(237)
Unrealized gain on financial derivative	-	234	234
<b>Accumulated Other Comprehensive Income (Loss) – June 30, 2009</b>	<b>\$ 4,894</b>	<b>\$ (1,008)</b>	<b>\$ 3,886</b>

	Cumulative Translation Adjustments	Unrealized Loss on Financial Derivatives	Three Month Period Ended June 30, 2008
<b>Accumulated Other Comprehensive Income (Loss) – March 31, 2008</b>	<b>\$ 5,500</b>	<b>\$ (594)</b>	<b>\$ 4,906</b>
Unrealized gain on translation of foreign operations	1,049	-	1,049
Transfer of realized gain on translation of foreign operations	-	-	-
Unrealized gain on financial derivative	-	166	166
<b>Accumulated Other Comprehensive Income (Loss) – June 30, 2008</b>	<b>\$ 6,549</b>	<b>\$ (428)</b>	<b>\$ 6,121</b>

See accompanying notes

**Opta Minerals Inc.**

**Consolidated Statements of Retained Earnings and Accumulated Other Comprehensive Income (Loss)  
(Unaudited)**

For the Six Month Periods Ended June 30, 2009 and 2008

Expressed in Thousands of U.S. Dollars

	2009	2008
<b>Retained Earnings - Beginning of Period</b>	<b>\$ 21,662</b>	<b>\$ 19,184</b>
Net earnings (loss)	(405)	3,029
<b>Retained Earnings - End of Period</b>	<b>\$ 21,257</b>	<b>\$ 22,213</b>

	Cumulative Translation Adjustments	Unrealized Loss on Financial Derivatives	Six Month Period Ended June 30, 2009
<b>Accumulated Other Comprehensive Income (Loss) – December 31, 2008</b>	<b>\$ 5,670</b>	<b>\$ (1,291)</b>	<b>\$ 4,379</b>
Unrealized loss on translation of foreign operations	(315)	-	(315)
Transfer of realized gain on translation of foreign operations	(461)	-	(461)
Unrealized gain on financial derivative	-	283	283
<b>Accumulated Other Comprehensive Income (Loss) – June 30, 2009</b>	<b>\$ 4,894</b>	<b>\$ (1,008)</b>	<b>\$ 3,886</b>

	Cumulative Translation Adjustments	Unrealized Loss on Financial Derivatives	Six Month Period Ended June 30, 2008
<b>Accumulated Other Comprehensive Income (Loss) – December 31, 2007</b>	<b>\$ 3,688</b>	<b>\$ (207)</b>	<b>\$ 3,481</b>
Unrealized gain on translation of foreign operations	2,936	-	2,936
Transfer of realized gain on translation of foreign operations	(75)	-	(75)
Unrealized loss on financial derivative	-	(221)	(221)
<b>Accumulated Other Comprehensive Income (Loss) – June 30, 2008</b>	<b>\$ 6,549</b>	<b>\$ (428)</b>	<b>\$ 6,121</b>

See accompanying notes

**Opta Minerals Inc.**  
**Consolidated Statements of Cash Flows**  
**(Unaudited)**  
**For the Three Month Periods Ended June 30, 2009 and 2008**  
**Expressed in Thousands of U.S. Dollars**

	2009	2008
<b>Cash Provided By (Used in) -</b>		
<b>Operating Activities</b>		
Net earnings (loss) for the period	\$ (79)	\$ 1,930
Items not affecting cash		
Amortization of property, plant and equipment	389	564
Amortization of intangible assets	461	437
Non-controlling interest	(73)	-
Other (income) expenses (note 12)	116	-
Stock compensation expense	68	56
Future income taxes (note 7)	(169)	53
Unrealized foreign exchange loss on long-term debt	-	(8)
Realized foreign exchange gain on foreign operations	(237)	-
Net loss on disposal of property, plant and equipment	-	2
	<b>476</b>	<b>3,034</b>
Changes in non-cash working capital		
Accounts receivable	(578)	(2,864)
Inventories	1,470	(5,158)
Prepaid expenses and other current assets	19	445
Accounts payable and accrued liabilities	452	1,711
Income taxes recoverable	(286)	55
	<b>1,553</b>	<b>(2,777)</b>
<b>Financing Activities</b>		
Proceeds from issuance of common shares - net of issuance costs	7	18
Increase in bank indebtedness	176	2,363
Proceeds from long-term debt	31	-
Repayment of long-term debt	(651)	(577)
	<b>(437)</b>	<b>1,804</b>
<b>Investing Activities</b>		
Acquisition of property, plant and equipment	(660)	(196)
Additional consideration paid on acquisitions	-	(4)
	<b>(660)</b>	<b>(200)</b>
<b>Foreign Exchange Gain on Cash Held in Foreign Currency</b>	<b>42</b>	<b>101</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>498</b>	<b>(1,072)</b>
<b>Cash and Cash Equivalents</b>		
Beginning of Period	1,374	3,904
End of Period	<b>\$ 1,872</b>	<b>\$ 2,832</b>
<b>Additional Cash Flows Information:</b>		
Interest paid	\$ 378	\$ 451
Income taxes paid	231	719

See accompanying notes

**Opta Minerals Inc.**  
**Consolidated Statements of Cash Flows**  
**(Unaudited)**  
**For the Six Month Periods Ended June 30, 2009 and 2008**  
**Expressed in Thousands of U.S. Dollars**

	2009	2008
<b>Cash Provided By (Used in) -</b>		
<b>Operating Activities</b>		
Net earnings (loss) for the period	\$ (405)	\$ 3,029
Items not affecting cash		
Amortization of property, plant and equipment	940	1,119
Amortization of intangible assets	898	865
Non-controlling interest	(205)	-
Other (income) expenses (note 12)	(55)	-
Stock compensation expense (note 9)	138	113
Future income taxes (note 7)	(615)	(407)
Unrealized foreign exchange loss on long-term debt	-	144
Realized foreign exchange gain on foreign operations	(461)	(75)
Net loss on disposal of property, plant and equipment	-	(4)
	235	4,784
Changes in non-cash working capital		
Accounts receivable	543	(2,885)
Inventories	4,607	(2,249)
Prepaid expenses and other current assets	(59)	576
Accounts payable and accrued liabilities	(672)	1,335
Income taxes recoverable	(368)	247
	4,286	1,808
<b>Financing Activities</b>		
Proceeds from issuance of common shares - net of issuance costs	14	30
Decrease (increase) in bank indebtedness	(306)	2,037
Proceeds from long-term debt	764	3,075
Repayment of long-term debt	(2,689)	(6,301)
	(2,217)	(1,159)
<b>Investing Activities</b>		
Acquisition of property, plant and equipment	(1,580)	(315)
Proceeds on disposal of property, plant and equipment	-	18
Additional consideration paid on acquisitions	-	(11)
	(1,580)	(308)
<b>Foreign Exchange Gain on Cash Held in Foreign Currency</b>	<b>6</b>	<b>155</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>495</b>	<b>496</b>
<b>Cash and Cash Equivalents</b>		
Beginning of Period	1,377	2,336
End of Period	\$ 1,872	\$ 2,832
<b>Additional Cash Flows Information:</b>		
Interest paid	\$ 936	\$ 1,212
Income taxes paid	427	1,368

See accompanying notes

# Opta Minerals Inc.

## Notes to Consolidated Financial Statements

(Unaudited)

June 30, 2009 and 2008

Expressed in Thousands of U.S. Dollars (except per share amounts and number of options)

### 1. Interim Financial Statements

The interim consolidated financial statements of Opta Minerals Inc. (the "Company") have been prepared in accordance with Canadian generally accepted accounting principles. Accordingly, these financial statements do not include all of the disclosures required by Canadian generally accepted accounting principles for annual financial statements and therefore should be read in conjunction with the Company's audited consolidated financial statements, and notes thereto, for the year ended December 31, 2008. In the opinion of management, all adjustments considered necessary for fair presentation have been included, and all such adjustments are of a normal, recurring nature. Operating results for the three and six-month periods ended June 30, 2009 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2009. Except as described in note 3, the accounting policies followed by the Company are the same as those disclosed in the Company's consolidated financial statements, and notes thereto, for the year ended December 31, 2008.

### 2. Basis of Presentation and Nature of Operations

The consolidated financial statements include the accounts of Opta Minerals Inc. (the "Company") and its wholly-owned subsidiaries, Opta Minerals (USA) Inc.; Virginia Materials Inc. (Virginia Materials); International Materials & Supplies Inc. (International Materials); Temisca Inc. (Temisca); Magnesium Technologies Corporation (Magtech); MTI 01-2006 Inc.; OPM 01-2006 Inc.; Bimac, Inc. (Bimac); Newco, a.s. (Newco); Opta Minerals a.s.; Opta Minerals AB and its 67% interest in MCP Mg-Serbien SAS (MCP). All significant intercompany accounts have been eliminated on consolidation.

Opta Minerals Inc. is a vertically integrated provider of custom process optimization solutions and related materials for use primarily in the steel, foundry, loose abrasive cleaning and municipal water filtration industries. Further details are disclosed in the Company's Annual Report for the year ended December 31, 2008 that is available on SEDAR at [www.sedar.com](http://www.sedar.com).

### 3. Summary of Significant Accounting Policies

#### Intangible Assets

The Company's finite life intangible assets are amortized on a straight-line basis as follows:

Customer relationships	8-25 years
Profit sharing agreements	7-15 years
Long-term supply contract	Over the period of 10 years
Patents	Over the useful life of patent
Other finite life intangible asset	6 years

## **Opta Minerals Inc.**

### **Notes to Consolidated Financial Statements**

**(Unaudited)**

**June 30, 2009 and 2008**

**Expressed in Thousands of U.S. Dollars (except per share amounts and number of options)**

### **3. Summary of Significant Accounting Policies, cont'd**

#### **Use of Estimates**

The preparation of these consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the dates of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

#### **Recently Adopted Accounting Pronouncements**

On January 1, 2009, the Company adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Sections 3064 "Goodwill and Intangible Assets", 1582 "Business Combinations", 1601 "Consolidated Financial Statements" and 1602 "Non-Controlling Interests".

- a) CICA Handbook Section 3064 "Goodwill and Intangible Assets". The standard establishes new recognition and measurement criteria for the accounting of goodwill and intangible assets. There were no changes to the opening values of goodwill, intangible assets or retained earnings at January 1, 2009 as a result of the adoption of this accounting standard.
- b) CICA Handbook Section 1582 "Business Combinations". This new standard replaces CICA Handbook Section 1581, "Business Combinations" and establishes standards for the accounting for a business combination. It is the Canadian equivalent to International Financial Reporting Standard IFRS 3, Business Combinations. This standard has been early adopted and the Company has determined that its adoption has no material effect on its consolidated financial statements.
- c) CICA Handbook Section 1601 "Consolidated Financial Statements" and CICA Handbook Section 1602 "Non-Controlling Interests". These new standards replace CICA Handbook Section 1600, Consolidated Financial Statements. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. Section 1602 is equivalent to the corresponding provisions of International Financial Reporting Standard IAS 27, "Consolidated and Separate Financial Statements". These standards have been early adopted and, as a result, the Company has recognized the non-controlling interest of its investment in MCP based on the results from operations from January 1, 2009.
- d) Emerging Issues Committee Abstract 173 "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities" (EIC 173) requires an entity's own credit risk and the credit risk of the counterparty be taken into account in determining the fair value of financial assets and financial liabilities, including derivative instruments. EIC 173 is effective for the company for financial statements beginning on January 1, 2009. The Company has determined the impact of the adoption of this change has no material effect on its financial statements.

## Opta Minerals Inc.

### Notes to Consolidated Financial Statements

(Unaudited)

June 30, 2009 and 2008

Expressed in Thousands of U.S. Dollars (except per share amounts and number of options)

### 3. Summary of Significant Accounting Policies, cont'd

#### Recently Issued Accounting Pronouncement

The Canadian Institute of Chartered Accountants ("CICA") has issued the following accounting standard:

- a) International Financial Reporting Standards in February 2008, the Canadian Accounting Standards Board confirmed that the use of International Financial Reporting Standards ("IFRS") will be required for Canadian publicly accountable enterprises for years beginning on or after January 1, 2011.

The Company is currently evaluating the impact of adopting the above accounting and reporting standard.

### 4. Inventories

	June 30, 2009	December 31, 2008
Raw materials	\$ 12,589	\$ 14,147
Finished goods	5,468	8,076
	<b>\$ 18,057</b>	<b>\$ 22,223</b>

Included in the cost of goods sold reported by the Company is an expense related to inventory of \$10,806 for the three months ended June 30, 2009 (for the three months ended June 30, 2008 - \$16,396) and \$21,483 for the six months ended June 30, 2009 (for the six months ended June 30, 2008 - \$30,027).

### 5. Assets Held for Sale

During the year ended December 31, 2008, the Company commenced the consolidation of its Quebec production and distribution operations into one facility located in Laval, Quebec. As part of the plan, the owned building and warehouse in Lachine was listed for sale and reported as assets held for sale in the amount of \$680 (December 31, 2008 - \$664). The assets were previously disclosed in the mill and foundry products and services segment.

An amount of \$41 has been charged to other income and expenses in the six month period ended June 30, 2009 (for the three months ended March 31, 2009 - \$41) to account for the increase in accrued costs related to the assets held for sale.

The sale of the building was finalized and proceeds received during July 2009.

**Opta Minerals Inc.****Notes to Consolidated Financial Statements****(Unaudited)****June 30, 2009 and 2008****Expressed in Thousands of U.S. Dollars (except per share amounts and number of options)****6. Intangible and Other Assets**

	Cost	Accumulated Amortization	June 30, 2009 Net Carrying Amount
Customer relationships	\$ 34,715	\$ 4,327	\$ 30,388
Profit sharing agreements	1,088	245	843
Other finite life intangible asset	836	56	780
Long-term supply contract	271	108	163
Patents	146	105	41
	<b>\$ 37,056</b>	<b>\$ 4,841</b>	<b>\$ 32,215</b>

  

	Cost	Accumulated Amortization	December 31, 2008 Net Carrying Amount
Customer relationships	\$ 34,901	\$ 3,540	\$ 31,361
Profit sharing agreements	1,088	209	879
Long-term supply contract	257	89	168
Patents	146	90	56
	<b>\$ 36,392</b>	<b>\$ 3,928</b>	<b>\$ 32,464</b>

On January 29, 2009, substantially all of the fixed assets comprising the Company's facility in Attica, New York, were sold in exchange for a release of the Company's obligations under an existing lease and service agreement. The non-monetary proceeds of \$793 have been recorded as an intangible asset and represent the future benefits to the Company. The operations in Attica were previously reported in the abrasive products manufacturing and distribution operations segment.

The difference between the future savings as a result of the termination of the lease and service agreements and the net book value of the assets disposed in the amount of \$419 and a write-off of the goodwill associated with the Attica, New York facility in the amount of \$162 resulted in a gain of \$208 which is recorded in other income and expenses.

# Opta Minerals Inc.

## Notes to Consolidated Financial Statements

(Unaudited)

June 30, 2009 and 2008

Expressed in Thousands of U.S. Dollars (except per share amounts and number of options)

### 7. Income Taxes

The components of the provision for (recovery of) income taxes are as follows:

	Three Month Period Ended June 30, 2009	Six Month Period Ended June 30, 2009	Three Month Period Ended June 30, 2008	Six Month Period Ended June 30, 2008
Current	\$ (60)	\$ 77	\$ 800	\$ 1,598
Future	(169)	(615)	53	(407)
	<b>\$ (229)</b>	<b>\$ (538)</b>	<b>\$ 853</b>	<b>\$ 1,191</b>

The effective income tax rate on consolidated earnings is influenced by the items detailed below:

	Three Month Period Ended June 30, 2009 %	Six Month Period Ended June 30, 2009 %	Three Month Period Ended June 30, 2008 %	Six Month Period Ended June 30, 2008 %
Canadian statutory income tax rates	33.0	33.0	33.0	33.0
Non-deductible stock compensation expense	(5.6)	(3.8)	0.7	0.8
Non-deductible foreign exchange gains	10.9	5.7	-	-
Statutory rate differences in other jurisdictions	40.0	35.3	(7.7)	(8.4)
Manufacturing and processing credits	(1.6)	(1.5)	(1.5)	(1.5)
Valuation reserve	(13.0)	(12.0)	7.3	4.5
Other	(3.6)	(9.8)	(1.1)	(0.2)
	<b>60.1</b>	<b>46.9</b>	<b>30.7</b>	<b>28.2</b>

Future income tax assets and liabilities of the Company are as follows:

	June 30, 2009	December 31, 2008
Differences in property, plant and equipment basis	\$ (2,008)	\$ (2,129)
Differences in accumulated other comprehensive income	416	554
Differences in share issuance costs	60	112
Non-capital and capital loss carry-forwards	2,675	1,501
Other	(1,065)	(360)
	<b>78</b>	<b>(322)</b>
Valuation allowance	(232)	(121)
	<b>(154)</b>	<b>(443)</b>
Future income tax assets – long-term	<b>3,224</b>	<b>2,406</b>
Future income tax liabilities – long-term	<b>(3,378)</b>	<b>(2,849)</b>
	<b>\$ (154)</b>	<b>\$ (443)</b>

## Opta Minerals Inc.

### Notes to Consolidated Financial Statements

(Unaudited)

June 30, 2009 and 2008

Expressed in Thousands of U.S. Dollars (except per share amounts and number of options)

#### 7. Income Taxes, cont'd

As at June 30, 2009, the Company has recognized the tax benefit of available non-capital losses, net of a valuation allowance, in the amount of \$2,443 (December 31, 2008 - \$1,380) which, if not utilized, will expire between 2014 and 2029. The benefit of non-capital losses has been recognized based on projections of future taxable income and the amount of the benefit of these losses ultimately realized is subject to change.

#### 8. Future Income Taxes on Intangible Assets

The Company has recorded future income tax liabilities in the amount of \$9,417 (December 31, 2008 - \$9,695) in relation to intangible assets acquired as part of the Magtech, Bimac and Newco acquisitions. Although the amortization of the intangible assets is not deductible for statutory tax purposes, a future tax liability has been established for the acquired finite life intangibles.

No amount of the future income tax liability upon liquidation of the intangible assets is payable to a tax authority, unless the intangibles were sold separately from the business.

#### 9. Capital Stock and Contributed Surplus

- a) The Company is authorized to issue an unlimited number of common shares without par value and an unlimited number of preference shares in series.

	Number	\$
December 31, 2008	18,003,459	17,587
Employee stock purchase plan	11,077	14
June 30, 2009	18,014,536	17,601

The Company established an Employee Stock Purchase Plan ("ESPP") during 2005, pursuant to which 500,000 common shares have been reserved for issuance. The ESPP allows qualifying employees to buy the Company's stock at a discount to the market price.

## Opta Minerals Inc.

### Notes to Consolidated Financial Statements

(Unaudited)

June 30, 2009 and 2008

Expressed in Thousands of U.S. Dollars (except per share amounts and number of options)

#### 9. Capital Stock and Contributed Surplus, cont'd

b) The movement in contributed surplus is as follows:

Balance – December 31, 2008	\$ 1,665
Stock compensation expense	138
Balance – June 30, 2009	\$ 1,803

As at June 30, 2009, there are 1,247,000 (December 31, 2008 – 1,247,000) stock options outstanding with exercise prices ranging from \$3.05 to \$4.74 per share. The weighted average exercise price is \$3.88 and the weighted average remaining contractual life is 4.8 years.

#### 10. Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain a conservative capital structure. The Company's capital structure is composed of shareholders' equity, bank indebtedness, long-term debt, future income taxes and other long-term liabilities and is not subject to any capital requirements imposed by a regulator.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue or reacquire shares, acquire or dispose of assets, and adjust the amount of cash and cash equivalents balances relative to bank debt and bank indebtedness.

As part of existing debt agreements, three key financial covenants are monitored on an ongoing basis by management to ensure compliance with the agreements as follows:

- tangible net worth calculation defined as equity less goodwill and intangible assets net of their applicable future income tax liability;
- funded debt to EBITDA calculated on a rolling 12 month basis; and
- working capital ratio, defined as current assets divided by current liabilities.

**Opta Minerals Inc.****Notes to Consolidated Financial Statements****(Unaudited)****June 30, 2009 and 2008****Expressed in Thousands of U.S. Dollars (except per share amounts and number of options)****10. Capital Risk Management, cont'd**

	<b>June 30, 2009</b>	December 31, 2008
Shareholders equity (excluding non-controlling interest) \$	<b>44,547</b>	\$ 45,293
Goodwill	<b>(14,007)</b>	(14,160)
Intangible and other assets	<b>(32,215)</b>	(32,464)
Future income taxes on intangible assets	<b>9,417</b>	9,695
<b>Tangible net worth</b>	<b>\$ 7,742</b>	<b>\$ 8,364</b>
Bank indebtedness	<b>7,965</b>	7,797
Current portion of long-term debt	<b>4,899</b>	4,097
Long-term debt	<b>18,658</b>	20,594
<b>Funded debt</b>	<b>31,522</b>	<b>32,488</b>
	<b>For twelve</b>	For twelve months
	<b>months ended</b>	ended December
	<b>June 30, 2009</b>	<b>31, 2008</b>
Net earnings (loss)	<b>(956)</b>	2,478
Provision for (recovery of) income taxes	<b>(695)</b>	1,034
Interest expense	<b>1,846</b>	2,089
Amortization of property, plant and equipment	<b>2,051</b>	2,230
Amortization of intangible assets	<b>1,752</b>	1,719
<b>EBITDA</b>	<b>3,998</b>	<b>9,550</b>
<b>Funded debt to EBITDA</b>	<b>7.90</b>	<b>3.40</b>
	<b>June 30, 2009</b>	December 31, 2008
Current assets	<b>31,982</b>	35,552
Current liabilities	<b>20,174</b>	19,720
<b>Working capital ratio</b>	<b>1.59</b>	<b>1.80</b>

In order to facilitate the management of its capital requirements, the Company prepares annual budgets that are updated as necessary depending on various factors including general industry conditions. The annual budget is approved by the board of directors.

On July 30, 2009 the Company and its lenders negotiated certain amendments to its banking facilities that were retroactively effective for the interim period ended June 30, 2009. The amendments include an increase in the interest rate premium charged on outstanding balances, which is based on certain financial ratios of the Company, as well as amendments to certain financial covenant thresholds. The amendments also include a reduction in the maximum availability under the revolving acquisition facility from Cdn \$20,000 (U.S. - \$17,196) to Cdn \$14,043 (U.S. - \$12,075).

## Opta Minerals Inc.

### Notes to Consolidated Financial Statements

(Unaudited)

June 30, 2009 and 2008

Expressed in Thousands of U.S. Dollars (except per share amounts and number of options)

## 10. Capital Risk Management, cont'd

The credit facilities are collateralized by a first priority security against substantially all of the Opta Minerals assets in both Canada and the United States.

As at June 30, 2009, the company is in compliance with the financial covenants of the credit facilities.

## 11. Financial, Other Instruments and Hedging

### a) Fair Value

The following table presents the carrying amount and the fair value of the Company's financial instruments and non-financial derivatives. Amortized cost is calculated using the effective interest rate method. Fair value is based on quoted market prices. These amounts represent point-in-time estimates and may not reflect fair value in the future. These calculations are subjective in nature, involve uncertainties and are a matter of significant judgement.

	June 30, 2009		December 31, 2008	
	Fair Value	Carrying Value	Category	Carrying Value
Cash and cash equivalents	\$ 1,872	\$ 1,872	HFT	\$ 1,377
Account receivable	8,753	8,753	L&R	9,133
Bank indebtedness	7,965	7,965	OFL	7,797
Accounts payable and accrued liabilities	7,270	7,270	OFL	7,788
Current portion of long-term debt	4,899	4,899	OFL	4,097
Long-term debt	18,658	18,658	OFL	20,594
Current portion of preference shares	40	40	OFL	38
Other long-term liabilities				
- Interest rate swap derivative	1,526	1,526	OFL	1,985
- Contingent goodwill payment	1,110	1,110	OFL	1,110

Financial instruments category guide:

HFT	Held for trading
L&R	Loans and receivable
OFL	Other financial liabilities

Changes in fair value of commodity contracts and exchange traded derivatives are included in cost of goods sold.

## Opta Minerals Inc.

### Notes to Consolidated Financial Statements

(Unaudited)

June 30, 2009 and 2008

Expressed in Thousands of U.S. Dollars (except per share amounts and number of options)

## 11. Financial, Other Instruments and Hedging, cont'd

### b) Risks and Risk Management

#### l) Interest rate risk

The following table identifies the Company's financial assets and liabilities which are sensitive to interest rate movements and those which are non-interest rate sensitive as they are either non-interest bearing or bear interest at fixed rates.

	June 30, 2009		December 31, 2008	
	Interest Sensitive	Non-interest Sensitive	Interest Sensitive	Non-interest Sensitive
Cash and cash equivalents	\$ 1,872	\$ -	\$ 1,377	\$ -
Bank indebtedness	(7,965)	-	(7,797)	-
Long-term debt – term loan	(8,867)	-	(8,980)	-
Long-term debt – acquisition facilities	(12,239)	-	(11,835)	-
Promissory notes	-	(2,397)	-	(3,876)
Conditional sales contracts	-	(54)	-	-
	<b>\$ (27,199)</b>	<b>\$ (2,451)</b>	<b>\$ (27,235)</b>	<b>\$ (3,876)</b>

The interest sensitive component above has been substantially placed with bankers' acceptances in the amount of Cdn. \$25,200. These banker's acceptance notes have been renewed at 30 day intervals since their initial renewal in August 2008 and are currently at an interest rate of 1.0% plus a margin based on certain financial ratios of the Company. The remaining interest sensitive component accrues interest at the borrower's option based on various reference rates including prime, U.S. dollar base rate or LIBOR plus a margin based upon certain financial ratios of the Company.

The Company uses derivative financial instruments to manage exposure to changes in interest rates. During 2007, the Company entered into an interest rate swap with a notional amount of Cdn. \$17,200 for a term of 5 years. The swap fixes the Company's effective interest rate on this amount at 5.25% plus a margin based on certain financial ratios of the Company. To manage the credit and market risks associated with derivative financial instruments, the Company:

- deals only with counterparties that are highly rated financial institutions; and
- restricts the amount of hedging that can be transacted with any one counterparty.

A one percent annualized change in interest rates would affect the Company's earnings, cash flow and financial position by an amount of \$124.

## Opta Minerals Inc.

### Notes to Consolidated Financial Statements

(Unaudited)

June 30, 2009 and 2008

Expressed in Thousands of U.S. Dollars (except per share amounts and number of options)

## 11. Financial, Other Instruments and Hedging, cont'd

### b) Risks and Risk Management, cont'd

#### I) Interest rate risk, cont'd

If the Company sells or terminates a hedged item, or it matures before the related hedging instrument is terminated, any realized or unrealized gain or loss on the derivative instruments is recognized in earnings. In accounting for this cash flow hedge, changes in fair value of this swap are included in other comprehensive income to the extent the hedge continues to be effective. The related other comprehensive income amounts are allocated to net earnings in the same period in which the hedged item affects net earnings. For all cash flow hedges, to the extent the change in fair value of the derivative is not completely offset by the change in the fair value of the hedged item, the ineffective portion of the hedging relationship is recorded immediately in net earnings. The Company's credit exposure to hedges and other derivatives is the current replacement value of any contracts that are in a gain position. For the three month period ended June 30, 2009, the Company's exposure from interest rate swap contracts resulted in a gain net of income tax equal to \$234 (2008 – gain of \$166) included in the results of other comprehensive income. For the six month period ended June 30, 2009, the Company's exposure from interest rate swap contracts resulted in a gain net of income tax equal to \$283 (2008 – loss of \$221) included in the results of other comprehensive income.

#### II) Credit risk

The Company's exposure to concentrations of credit risk is limited. The Company places its cash and cash equivalents with institutions of high creditworthiness, and the Company's accounts receivable are not subject to high concentrations of credit risk. Maximum credit risk exposure represents the loss that would be incurred if all of the Company's counterparties were to default at the same time.

As of the balance sheet date, approximately 68% (December 31, 2008 - 53%) of the Company's consolidated accounts receivable are current, while 10% (December 31, 2008 - 8%) of accounts receivable are over 60 days past due.

The Company adjusts trade accounts receivable balances through a provision for doubtful accounts, to the expected realizable value as soon as the account is determined not to be fully collectible, with such adjustments charged to earnings. When a receivable balance is considered uncollectible it is written off against the allowance for doubtful accounts. The Company updates its estimate of the allowance for doubtful accounts based on a customer-by-customer evaluation of the collectibility of the trade receivable balances, taking into account amounts which are past due, the customer's payment history and any available information indicating a customer could be experiencing liquidity problems.

All individual customer balances that are deemed to be impaired have been adequately covered by the allowance for doubtful accounts as at the balance sheet dates.

## Opta Minerals Inc.

### Notes to Consolidated Financial Statements

(Unaudited)

June 30, 2009 and 2008

Expressed in Thousands of U.S. Dollars (except per share amounts and number of options)

## 11. Financial, Other Instruments and Hedging, cont'd

### b) Risks and Risk Management, cont'd

#### III) Foreign exchange risk

The Company operates on an international basis, which gives rise to the risk that results of operations and cash flows may be adversely impacted by exchange rate fluctuations on transactions denominated in a foreign currency. Foreign exchange risk arises because the amount of the local currency receivable or payable for transactions denominated in foreign currencies may vary due to changes in exchange rates. The Company does not use derivative instruments to manage this risk.

The Company's Canadian operations are exposed to exchange rate changes between the U.S. dollar and the Canadian dollar and the Euro and Canadian dollar. The Company's primary U.S. dollar exposure in Canada relates to the revaluation into Canadian dollars of its U.S. dollar denominated working capital and long-term debt. As of June 30, 2009, fluctuations of +/- 5% would have an effect on earnings before income taxes of approximately +/- \$30. The Company's primary Euro exposure in Canada relates to the revaluation into Canadian dollars of its Euro denominated intercompany receivables. As of June 30, 2009, fluctuations of +/- 5% would have an effect on earnings before income taxes of approximately +/- \$38.

The Company's U.S. and European operations have minimal exposure to exchange rate fluctuations as substantially all of their transactions are denominated in the U.S. dollar and Euro, respectively. On January 1, 2009, the Slovak Koruna was replaced by the Euro as the functional currency of Slovakia.

The Company's reporting currency is U.S. dollars. All of the Company's operations are considered self-sustaining operations. The assets and liabilities of the self-sustaining operations are translated at exchange rates in effect at the balance sheet date. Unrealized gains and losses resulting from translating self-sustaining operations are accumulated and reported as a currency translation adjustment in accumulated other comprehensive income. As of June 30, 2009, fluctuations in the exchange rate between the U.S. dollar and Canadian dollar of +/- 5% would have an effect of other comprehensive income of approximately +/- \$470 and fluctuations in the exchange rate between the U.S. dollar and Euro of +/- 5% would have an effect on other comprehensive income of approximately +/- \$886.

## Opta Minerals Inc.

### Notes to Consolidated Financial Statements

(Unaudited)

June 30, 2009 and 2008

Expressed in Thousands of U.S. Dollars (except per share amounts and number of options)

## 11. Financial, Other Instruments and Hedging, cont'd

### IV) Liquidity risk

The following table summarizes the Company's contractual maturity for its financial liabilities:

	1 Year	2 Years	3 Years	4 years	5 Years	Thereafter	Total
	\$	\$	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	7,270	-	-	-	-	-	7,270
Long-term debt	4,899	2,739	2,739	2,731	2,515	7,934	23,557
	12,169	2,739	2,739	2,739	2,515	7,926	30,827

In addition to the above, the Company has recorded \$1,110 as other long-term liabilities representing the estimated contingent consideration associated with the acquisition of Bimac Inc. and \$1,526 as other long-term liabilities relating to the interest rate swap derivative.

### c) Collateral

The Company has charged substantially all assets of the Company and certain of its subsidiaries as security for borrowings.

## 12. Other (Income) Expense

	Three Month Period Ended June 30, 2009	Six Month Period Ended June 30, 2009	Three Month Period Ended June 30, 2008	Six Month Period Ended June 30, 2008
Restructuring severance costs	\$ 339	\$ 339	\$ -	\$ -
Loss (gain) on disposal of property, plant and equipment (note 6)	4	(208)	-	-
Lease termination costs	112	112	-	-
Costs accrued for the disposal of assets held for sale (note 5)	-	41	-	-
	\$ 455	\$ 284	\$ -	\$ -

**Opta Minerals Inc.**

**Notes to Consolidated Financial Statements**

**(Unaudited)**

**June 30, 2009 and 2008**

**Expressed in Thousands of U.S. Dollars (except per share amounts and number of options)**

**13. Earnings (Loss) per Share**

Earnings (loss) per share are calculated using the weighted average number of shares outstanding. The following table reconciles the net earnings (loss) and the number of shares for the basic and diluted earnings per share calculations:

	<b>Net Earnings (Loss) Attributed to Common Shareholders</b>	<b>Weighted Average Number of Shares</b>	<b>Three Month Period Ended June 30, 2009 Per Share Amount</b>
Basic	\$ (79)	18,010,195	\$ -
Dilutive effect of stock options	-	-	-
	<b>\$ (79)</b>	<b>18,010,195</b>	<b>\$ -</b>

	<b>Net Earnings Attributed to Common Shareholders</b>	<b>Weighted Average Number of Shares</b>	<b>Three Month Period Ended June 30, 2008 Per Share Amount</b>
Basic	\$ 1,930	17,989,638	\$ 0.11
Dilutive effect of stock options	-	19,966	-
	<b>\$ 1,930</b>	<b>18,009,604</b>	<b>\$ 0.11</b>

	<b>Net Earnings (Loss) Attributed to Common Shareholders</b>	<b>Weighted Average Number of Shares</b>	<b>Six Month Period Ended June 30, 2009 Per Share Amount</b>
Basic	\$ (405)	18,007,606	\$ (0.02)
Dilutive effect of stock options	-	-	-
	<b>\$ (405)</b>	<b>18,007,606</b>	<b>\$ (0.02)</b>

	<b>Net Earnings Attributed to Common Shareholders</b>	<b>Weighted Average Number of Shares</b>	<b>Six Month Period Ended June 30, 2008 Per Share Amount</b>
Basic	\$ 3,029	17,987,585	\$ 0.17
Dilutive effect of stock options	-	24,435	-
	<b>\$ 3,029</b>	<b>18,012,020</b>	<b>\$ 0.17</b>

## **Opta Minerals Inc.**

### **Notes to Consolidated Financial Statements**

**(Unaudited)**

**June 30, 2009 and 2008**

**Expressed in Thousands of U.S. Dollars (except per share amounts and number of options)**

## **14. Segmented Information**

### **Industry Segments**

The Company operates in two industry segments.

a) Mill and foundry products and services operations

The Company's mill and foundry products and services operations segment processes and distributes industrial minerals and silica-free abrasives for the steel and foundry industries. Industrial minerals are used in a large range of applications for both the steel and foundry industries. Magnesium and lime are used in the desulphurization process. Bentonites are used for binders in foundry molding sands. Refractory minerals such as chromite and zircon are used to produce cores for high temperature metal casting as well as raw material and alloy agents.

This segment includes the Company's manufacturing, distribution and sales facilities in Walkerton, Indiana; Milan, Michigan; Brantford, Ontario; Waterdown, Ontario; Lachine, Quebec; Kosice, Slovakia; and Romans, France.

b) Abrasive products manufacturing and distribution operations

The Company's abrasive products manufacturing and distribution operations segment processes, distributes and recycles silica-free abrasives, roofing shingle granules and other industrial minerals for the marine, bridge, roofing and other abrasive cleaning; construction and water filtration industries.

This segment includes the Company's manufacturing operations in Norfolk, Virginia; Baltimore, Maryland; Hardeeville, South Carolina; New Orleans, Louisiana; Freeport, Texas; Tampa Bay, Florida; Keeseville and Attica, New York; Waterdown, Ontario; Laval and St. Bruno de Guigues, Quebec; and distribution operations in St-Germain-deGrantham, Quebec.

The prior period comparative amounts have been reclassified to conform to the current period's presentation.

Inter-segment revenues are recorded at transaction prices which approximate cost. The Company's assets, operations and employees are located in Canada, the United States and Europe.

# Opta Minerals Inc.

## Notes to Consolidated Financial Statements

(Unaudited)

June 30, 2009 and 2008

Expressed in Thousands of U.S. Dollars (except per share amounts and number of options)

### 14. Segmented Information, cont'd

#### Industry Segments, cont'd

The Company accounts for intersegment sales and transfers at the exchange amount which approximates cost.

	Three Month Period Ended June 30, 2009			
	Mill and Foundry Products and Services	Abrasive Products Manu- facturing and Distribution Operations	Unallocated	Total
External revenue by market				
Canada	\$ 1,660	\$ 1,516	\$ -	\$ 3,176
U.S	4,669	4,472	-	9,141
Europe	1,953	-	-	1,953
Other	23	46	-	69
Total revenue from external customers	<b>8,305</b>	<b>6,034</b>	<b>-</b>	<b>14,339</b>
Segment earnings (loss) before interest expense, income taxes and non-controlling interest	117	(23)	(82)	12
Interest expense on long-term debt				(288)
Interest expense				(105)
Recovery of income taxes				229
Non-controlling interest share of net loss	73	-	-	73
Net loss for the period				<b>(79)</b>
Total assets as at June 30, 2009	<b>66,272</b>	<b>29,025</b>	<b>3,308</b>	<b>98,605</b>
Amortization of property, plant and equipment	173	199	17	389
Amortization of intangible assets	455	6	-	461
Goodwill and intangible assets as at June 30, 2009	<b>39,689</b>	<b>6,533</b>	<b>-</b>	<b>46,222</b>
Expenditures on property, plant and equipment	\$ 64	\$ 572	\$ 24	\$ 660

External revenue by market is attributed to countries based on location of the customer.

Included in the mill and foundry products and services segment is revenue from one customer (2008 - two customers), that individually exceeds 10% of the Company's revenue.

**Opta Minerals Inc.****Notes to Consolidated Financial Statements****(Unaudited)****June 30, 2009 and 2008****Expressed in Thousands of U.S. Dollars (except per share amounts and number of options)****14. Segmented Information, cont'd****Industry Segments, cont'd**

	Six Month Period Ended June 30, 2009			
	Mill and Foundry Products and Services	Abrasive Products Manu- facturing and Distribution Operations	Unallocated	Total
External revenue by market				
Canada	\$ 3,852	\$ 2,316	\$ -	\$ 6,168
U.S.	11,029	7,793	-	18,822
Europe	3,871	-	-	3,871
Other	148	56	-	204
Total revenue from external customers	18,900	10,165	-	29,065
Segment earnings (loss) before interest expense, income taxes and non-controlling interest	(247)	49	(133)	(331)
Interest expense on long-term debt				(555)
Interest expense				(262)
Recovery of income taxes				538
Non-controlling interest share of net loss	205	-	-	205
Net loss for the period				(405)
Amortization of property, plant and equipment	509	399	32	940
Amortization of intangible assets	885	13	-	898
Expenditures on property, plant and equipment	\$ 152	\$ 1,394	\$ 34	\$ 1,580

**Opta Minerals Inc.**

**Notes to Consolidated Financial Statements**

**(Unaudited)**

**June 30, 2009 and 2008**

**Expressed in Thousands of U.S. Dollars (except per share amounts and number of options)**

**14. Segmented Information, cont'd**

	Three Months Ended June 30, 2008			
	Mill and Foundry Products and Services	Abrasive Products Manu- facturing and Distribution Operations	Unallocated	Total
External revenue by market				
Canada	\$ 4,302	\$ 1,605	\$ -	\$ 5,907
U.S	12,107	4,669	-	16,776
Europe	2,554	-	-	2,554
Other	-	11	-	11
<b>Total revenue from external customers</b>	<b>18,963</b>	<b>6,285</b>	<b>-</b>	<b>25,248</b>
Segment earnings (loss) before interest expense and income taxes	3,289	652	(664)	3,277
Interest expense on long-term debt				381
Interest expense				113
Provision for income taxes				853
Net earnings for the period				1,930
<b>Total assets as at December 31, 2008</b>	<b>70,806</b>	<b>27,198</b>	<b>3,242</b>	<b>101,246</b>
Amortization of property, plant and equipment	271	258	35	564
Amortization of intangible assets	425	12	-	437
Goodwill and intangible assets as at December 31, 2008	39,859	6,765	-	46,624
Expenditures on property, plant and equipment	\$ 6	\$ 169	\$ 21	\$ 196

External revenue by market is attributed to countries based on location of the customer.

**Opta Minerals Inc.****Notes to Consolidated Financial Statements****(Unaudited)****June 30, 2009 and 2008****Expressed in Thousands of U.S. Dollars (except per share amounts and number of options)****14. Segmented Information, cont'd**

	Six Months Ended June 30, 2008			
	Mill and Foundry Products and Services	Abrasive Products Manu- facturing and Distribution Operations	Unallocated	Total
External revenue by market				
Canada	\$ 7,427	\$ 2,877	\$ -	\$ 10,304
U.S	23,106	8,498	-	31,604
Europe	4,662	-	-	4,662
Other	30	18	-	48
Total revenue from external customers	35,225	11,393	-	46,618
Segment earnings (loss) before interest expense and income taxes	5,679	1,388	(1,787)	5,280
Interest expense on long-term debt				769
Interest expense				291
Provision for income taxes				1,191
Net earnings for the period				3,029
Amortization of property, plant and equipment	544	507	68	1,119
Amortization of intangible assets	840	25	-	865
Expenditures on property, plant and equipment	\$ 11	\$ 248	\$ 56	\$ 315

**Opta Minerals Inc.****Notes to Consolidated Financial Statements****(Unaudited)****June 30, 2009 and 2008****Expressed in Thousands of U.S. Dollars (except per share amounts and number of options)****14. Segmented Information, cont'd****Geographic Segments**

The Company's assets, operations and employees are located in Canada, the United States and Europe.

	<b>June 30, 2009</b>			
	<b>Canada</b>	<b>U.S</b>	<b>Europe</b>	<b>Total</b>
Property, plant and equipment	\$ 7,181	\$ 9,124	\$ 872	\$ 17,177
Goodwill and intangible assets	3,332	24,600	18,290	46,222
Total assets	25,405	48,080	25,120	98,605

  

	December 31, 2008			
	Canada	U.S	Europe	Total
Property, plant and equipment	\$ 6,185	\$ 9,568	\$ 911	\$ 16,664
Goodwill and intangible assets	2,291	25,425	18,908	46,624
Total assets	23,003	51,353	26,890	101,246

**15. Comparative Amounts**

Certain comparative amounts have been reclassified to conform to the current period's financial statement presentation.