

Opta Minerals Inc.

Interim Consolidated Financial Statements
September 30, 2011, December 31, 2010 and September 30, 2010
(Unaudited)

**Expressed in Thousands of US Dollars (except per share amounts
and number of shares)**

Opta Minerals Inc.

Interim Consolidated Financial Statements

September 30, 2011, December 31, 2010 and September 30, 2010

(Unaudited)

Expressed in Thousands of US Dollars (except per share amounts and number of shares)

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Opta Minerals Inc.

Interim Consolidated Balance Sheets

As at September 30, 2011, December 31, 2010 and September 30, 2010

(Unaudited)

Expressed in Thousands of US Dollars (except per share amounts and number of shares)

	September 30, 2011	December 31, 2010	September 30, 2010
Assets			
Current			
Cash and cash equivalents	\$ 4,590	\$ 495	\$ 909
Trade and other receivables	13,036	12,002	13,374
Income taxes recoverable	40	-	-
Inventories	20,255	19,259	20,118
	37,921	31,756	34,401
Property, Plant and Equipment (note 3)	16,646	16,410	16,519
Intangible Assets	28,125	29,255	29,602
Goodwill	6,019	6,019	6,496
Deferred Income Tax Assets	3,168	3,190	3,292
	\$ 91,879	\$ 86,630	\$ 90,310
Liabilities			
Current			
Trade and other payables	7,641	9,126	11,109
Borrowings	12,316	6,659	7,524
Provisions (note 5)	1,023	1,560	1,624
Other liabilities	233	427	531
Income taxes payable	-	250	929
Preference shares	45	46	45
	21,258	18,068	21,762
Borrowings	14,807	16,559	16,735
Derivative Financial Instrument	467	892	1,095
Other Liabilities	1,624	1,486	1,813
Deferred Income Tax Liabilities	3,524	3,251	2,851
Deferred Income Tax Liability on Intangible Assets	8,193	8,510	8,701
	49,873	48,766	52,957
Equity Attributable to the Shareholders of the Company			
Capital Stock			
Authorized – unlimited common shares and preference shares without par value			
Issued – 18,059,299 (December 31, 2010 – 18,036,974 September 30, 2010 – 18,033,519) common shares (note 6)	17,675	17,632	17,626
Contributed Surplus (note 8)	3,238	2,781	2,535
Accumulated Other Comprehensive Income (Loss)	(1,884)	(2,440)	(2,261)
Retained Earnings	22,977	19,891	19,453
	42,006	37,864	37,353
	\$ 91,879	\$ 86,630	\$ 90,310

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

Approved by the Board of Directors on November 3, 2011

“Victor Hepburn”

Director

“Donald Loeb”

Director

Opta Minerals Inc.**Interim Consolidated Income Statements****For the Three Months Ended September 30, 2011 and 2010****(Unaudited)****Expressed in Thousands of US Dollars (except per share amounts and number of shares)**

	September 30, 2011	September 30, 2010
Revenue	\$ 24,102	\$ 20,421
Cost of Goods Sold	18,923	15,221
Gross Profit	5,179	5,200
Selling, general and administrative expenses	3,365	3,336
Other expenses (income)	295	(964)
Operating Profit	1,519	2,828
Finance expense	423	606
Profit for the Period Before Income Tax	1,096	2,222
Income tax expense	468	683
Profit for the Period Attributable to the Shareholders of the Company	\$ 628	\$ 1,539
Earnings per share for the period - Basic and diluted (note 7)	0.03	0.08

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

Opta Minerals Inc.**Interim Consolidated Income Statements****For the Nine Months Ended September 30, 2011 and 2010****(Unaudited)****Expressed in Thousands of US Dollars (except per share amounts and number of shares)**

	September 30, 2011	September 30, 2010
Revenue	\$ 70,495	\$ 59,492
Cost of Goods Sold	54,662	44,292
Gross Profit	15,833	15,200
Selling, general and administrative expenses	10,106	9,517
Other income	(279)	(549)
Operating Profit	6,006	6,232
Finance expense	1,244	1,490
Profit for the Period Before Income Tax	4,762	4,742
Income tax expense	1,676	1,494
Profit for the Period Attributable to the Shareholders of the Company	\$ 3,086	\$ 3,248
Earnings per share for the period - Basic and diluted (note 7)	0.17	0.18

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

Opta Minerals Inc.**Interim Consolidated Statements of Comprehensive Income****For the Three Months Ended September 30, 2011 and 2010****(Unaudited)****Expressed in Thousands of US Dollars (except per share amounts and number of shares)**

	September 30, 2011	September 30, 2010
Profit for the Period Attributable to the Shareholders of the Company	\$ 628	\$ 1,539
Other Comprehensive Income (Loss)		
Unrealized gain (loss) on translation of foreign operations	(243)	341
Unrealized gain on derivative financial instrument	86	55
Other comprehensive income (loss), net of tax	(157)	396
Comprehensive Income Attributable to the Shareholders of the Company	\$ 471	\$ 1,935

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Opta Minerals Inc.**Interim Consolidated Statements of Comprehensive Income****For the Nine Months Ended September 30, 2011 and 2010****(Unaudited)****Expressed in Thousands of US Dollars (except per share amounts and number of shares)**

	September 30, 2011	September 30, 2010
Profit for the Period Attributable to the Shareholders of the Company	\$ 3,086	\$ 3,248
Other Comprehensive Income (Loss)		
Unrealized gain (loss) on translation of foreign operations	292	(1,519)
Unrealized gain on derivative financial instrument	264	175
Other comprehensive income (loss), net of tax	556	(1,344)
Comprehensive Income Attributable to the Shareholders of the Company	\$ 3,642	\$ 1,904

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

Opta Minerals Inc.
Interim Consolidated Statements of Changes in Equity
For the Nine Months Ended September 30, 2011 and 2010
(Unaudited)

Expressed in Thousands of US Dollars (except per share amounts and number of shares)

	Number of Shares - Capital Stock	Capital Stock	Contributed Surplus - Share-based Payments	AOCI* - Cash Flow Hedge	AOCI* - Foreign Currency Translation Reserve	Retained Earnings	Total Equity
At January 1, 2011	18,036,974	\$ 17,632	\$ 2,781	\$ (596)	\$ (1,844)	\$ 19,891	\$ 37,864
Comprehensive Income							
Profit for the period	-	-	-	-	-	3,086	3,086
Unrealized gain on translation of foreign operations	-	-	-	-	292	-	292
Unrealized gain on financial derivative designated as a cash flow hedge	-	-	-	264	-	-	264
Total Comprehensive Income	-	-	-	264	292	3,086	3,642
Transactions with Shareholders							
Employee share purchase plan	7,045	15	-	-	-	-	15
Stock options exercised	15,280	28	-	-	-	-	28
Share-based payment expense	-	-	457	-	-	-	457
Total Transactions with Shareholders	22,325	43	457	-	-	-	500
At September 30, 2011	18,059,299	\$ 17,675	\$ 3,238	\$ (332)	\$ (1,552)	\$ 22,977	\$ 42,006
At January 1, 2010	18,023,193	17,612	2,301	(917)	-	16,205	35,201
Comprehensive Income (Loss)							
Profit for the period	-	-	-	-	-	3,248	3,248
Unrealized loss on translation of foreign operations	-	-	-	-	(1,519)	-	(1,519)
Unrealized gain on financial derivative designated as a cash flow hedge	-	-	-	175	-	-	175
Total Comprehensive Income (Loss)	-	-	-	175	(1,519)	3,248	1,904
Transactions with Shareholders							
Employee share purchase plan	10,326	14	-	-	-	-	14
Share-based payment expense	-	-	234	-	-	-	234
Total Transactions with Shareholders	10,326	14	234	-	-	-	248
At September 30, 2010	18,033,519	\$ 17,626	\$ 2,535	\$ (742)	\$ (1,519)	\$ 19,453	\$ 37,353

*AOCI – Accumulated Other Comprehensive Income

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

Opta Minerals Inc.**Interim Consolidated Statements of Cash Flows****For the Nine Months Ended September 30, 2011 and 2010****(Unaudited)****Expressed in Thousands of US Dollars (except per share amounts and number of shares)**

	September 30, 2011	September 30, 2010
Cash Provided by (Used in) -		
Operating Activities		
Profit for the period	\$ 3,086	\$ 3,248
Items not affecting cash:		
Depreciation of property, plant and equipment	1,605	1,663
Amortization of intangible assets	1,510	1,375
Share-based payment expense	457	234
Non-cash finance expense	(28)	-
Deferred income taxes	(289)	(756)
Loss on disposal of property, plant and equipment	2	-
	6,343	5,764
Changes in non-cash working capital		
Trade and other receivables	(981)	(3,516)
Inventories	(1,069)	(3,060)
Trade and other payables	(1,346)	3,683
Provisions	(537)	(117)
Income taxes recoverable and payable	(318)	1,492
	2,092	4,246
Financing Activities		
Proceeds from issuance of common shares – net of issuance costs	43	14
Proceeds from borrowings	5,975	-
Repayment of finance lease liability	(84)	-
Repayment of borrowings	(2,242)	(2,931)
	3,692	(2,917)
Investing Activities		
Proceeds on disposal of property, plant and equipment	4	-
Additions to property, plant and equipment	(1,572)	(1,158)
Additions to intangible assets	(66)	-
	(1,634)	(1,158)
Foreign Exchange Loss on Cash Held in Foreign Currency	(55)	(43)
Increase in Cash and Cash Equivalents	4,095	128
Cash and Cash Equivalents		
Beginning of Period	495	781
End of Period	\$ 4,590	\$ 909
Additional Cash Flow Information:		
Interest paid	\$ 1,297	\$ 1,531
Income taxes paid	2,271	609

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

Opta Minerals Inc.

Notes to Interim Consolidated Financial Statements

September 30, 2011, December 31, 2010 and September 30, 2010

(Unaudited)

Expressed in Thousands of US Dollars (except per share amounts and number of shares)

1. General Information

Opta Minerals Inc. and its subsidiaries (together the Company or Opta) were incorporated by Articles of Incorporation under the Business Corporations Act on July 8, 2004. The Company is a public company with its common shares listed on the Toronto Stock Exchange and is incorporated and domiciled in Canada. The Company's parent company is SunOpta Inc., which owns 66.4% of the common shares and is listed on both the NASDAQ and Toronto Stock Exchanges. The address of the Company's registered office is 407 Parkside Drive, P.O. Box 260, Waterdown, Ontario, Canada.

The Company 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 industries and recycles inorganic materials under special permits from government authorities at both its Waterdown, Ontario and Norfolk, Virginia sites. The Company services much of the east coast of North America, with production facilities in Texas, Florida, Louisiana, South Carolina, Virginia, Maryland, New York, Indiana, Michigan, Ontario and Quebec and services locations in Europe with its production facilities in Kosice, Slovakia and Romans, France. The Company also generates revenue from the sale of specialty sands sourced, processed and packaged from the Company's quarry in St. Bruno de Guigues, Quebec, as well as from the sale of related products and services. The Company's assets, operations and employees are located in the United States, Canada and Europe.

2. Summary of Significant Accounting Policies

Basis of Preparation and Adoption of IFRS

The Company prepares its financial statements in accordance with Canadian generally accepted accounting principles as set out in the Handbook of the Canadian Institute of Chartered Accountants (CICA Handbook). In 2010, the CICA Handbook was revised to incorporate International Financial Reporting Standards (IFRS), and require publicly accountable enterprises to apply such standards effective for years beginning on or after January 1, 2011. Accordingly, the Company commenced reporting on this basis in its first 2011 interim consolidated financial statements. In these financial statements, all future references to the term Canadian GAAP refer to Canadian GAAP before the adoption of IFRS.

These interim consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting* (IAS 34), and IFRS 1, *First-time Adoption of International Financial Reporting Standards*. These interim consolidated financial statements comply with IAS 34. The accounting policies followed in these interim financial statements are the same as those applied in the Company's interim financial statements for the period ended March 31, 2011. The Company has consistently applied the same accounting policies throughout all periods presented, as if these policies had always been in effect. Note 10 discloses the impact of the transition to IFRS on the Company's reported equity as at September 30, 2010 and comprehensive income for the three and nine months ended September 30, 2010, including the nature and effect of significant changes in accounting policies from those used in the Company's consolidated financial statements for the year ended December 31, 2010.

Opta Minerals Inc.

Notes to Interim Consolidated Financial Statements

September 30, 2011, December 31, 2010 and September 30, 2010

(Unaudited)

Expressed in Thousands of US Dollars (except per share amounts and number of shares)

2. Summary of Significant Accounting Policies, cont'd

Basis of Preparation and Adoption of IFRS, cont'd

The accounting policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS effective for the year ended December 31, 2011, as issued and outstanding as of November 3, 2011, the date the Board of Directors approved the statements. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2011 could result in restatement of these interim consolidated financial statements, including transition adjustments recognized on change-over to IFRS.

The condensed interim consolidated financial statements should be read in conjunction with the Company's Canadian GAAP annual financial statements for the year ended December 31, 2010, and the Company's interim financial statements for the quarter ended March 31, 2011 prepared in accordance with IFRS applicable to interim financial statements.

Changes in Accounting Policies and Disclosures

Standards that are not yet effective and have not yet been adopted by the Company.

International Financial Reporting Standard 9, *Financial Instruments*

IFRS 9 was issued in November, 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through earnings. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through earnings or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends, to the extent not clearly representing a return of investment, are recognized in earnings; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely. Requirements for financial liabilities were added in October, 2010 and they largely carried forward existing requirements in IAS 39, *Financial Instruments – Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through earnings would generally be recorded in other comprehensive income.

This standard is required to be applied for accounting periods beginning on or after January 1, 2013, with earlier adoption permitted. During August 2011, an exposure draft was released proposing to extend this effective date to accounting periods beginning on or after January 1, 2015. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

In May, 2011, the IASB issued the following standards which have not yet been adopted by the Company: IFRS 10, *Consolidated Financial Statements* (IFRS 10), IFRS 11, *Joint Arrangements* (IFRS 11), IFRS 12, *Disclosure of Interests in Other Entities* (IFRS 12), IFRS 13, *Fair Value Measurement* (IFRS 13) and amended both IAS 27, *Separate Financial Statements* (IAS 27) and IAS 28, *Investments in Associates and Joint Ventures* (IAS 28).

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Notes to Interim Consolidated Financial Statements

September 30, 2011, December 31, 2010 and September 30, 2010

(Unaudited)

Expressed in Thousands of US Dollars (except per share amounts and number of shares)

2. Summary of Significant Accounting Policies, cont'd

Changes in Accounting Policies and Disclosures, cont'd

Each of the new standards is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted subject to certain conditions. The Company has not yet begun the process of assessing the impact that the new and amended standards may have on the consolidated financial statements or whether to early adopt the new requirements.

The following is a brief summary of the new standards applicable to the Company:

International Financial Reporting Standard 10, *Consolidated Financial Statements*

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12, *Consolidation – Special Purpose Entities* and parts of IAS 27, *Consolidated and Separate Financial Statements*.

International Financial Reporting Standard 12, *Disclosure of Interests in Other Entities*

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosure and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interest in other entities.

International Financial Reporting Standard 13, *Fair Value Measurement*

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or contingent disclosures.

Amendments to Other Standards

In addition, there have been amendments to existing standards, including IAS 27, *Separate Financial Statements*, and IAS 28, *Investments in Associates and Joint Ventures*. IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 to IFRS 13.

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Notes to Interim Consolidated Financial Statements

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(Unaudited)

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2. Summary of Significant Accounting Policies, cont'd

Critical Accounting Estimates and Judgements

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these unaudited interim consolidated financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied in the Company's interim financial statements for the period ended March 31, 2011.

3. Property, Plant and Equipment

Included in additions is machinery and equipment to increase the capacity at a production facility in Ontario, in the amount of \$495, which is under construction. This asset is not currently being depreciated as it is not available for use.

4. Impairment Tests

The Company performed its annual impairment test for goodwill at September 30, 2011.

Goodwill was allocated to the following CGUs, or group of CGUs, aggregated to the level that the goodwill is monitored by management:

	As at September 30, 2011
Virginia Materials	\$ 3,552
Bimac	1,337
Magtech	1,130
	\$ 6,019

Opta Minerals Inc.

Notes to Interim Consolidated Financial Statements

September 30, 2011, December 31, 2010 and September 30, 2010

(Unaudited)

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4. Impairment Tests, cont'd

The recoverable amount of each CGU, or group of CGUs, is determined based on fair value less costs to sell using discounted cash flow projection calculations. These calculations use cash flow projections based on financial budgets approved by management covering a 5-year period. Cash flows beyond the 5-year period are extrapolated using the estimated growth rates stated below. The key assumptions used for the fair value less costs to sell calculation at September 30, 2011 were as follows:

	Growth rate	Discount rate
Virginia Materials	2.0%	15.5%
Bimac	3.0%	14.5%
Magtech	2.5%	14.5%

The growth rates used are consistent with forecasts developed by management. The discount rates used reflect the specific risks relating to the relevant CGUs. The impairment tests performed resulted in no impairment at September 30, 2011.

5. Provisions

During the period ended September 30, 2011, the Company settled and paid a legal claim with a former vendor for \$630 and reduced the provisions balance accordingly. The claim related to the operations in Romans, France and existed at the time of acquisition.

6. Capital Stock

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. During the nine months ended September 30, 2011, 7,045 (September 30, 2010 – 10,326) common shares were purchased under the ESPP for proceeds of \$15 (September 30, 2010 - \$14).

Opta Minerals Inc.**Notes to Interim Consolidated Financial Statements****September 30, 2011, December 31, 2010 and September 30, 2010****(Unaudited)****Expressed in Thousands of US Dollars (except per share amounts and number of shares)****7. Earnings per Share**

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

	Profit for the period attributed to common shareholders	Weighted average number of shares	Three-month period ended September 30, 2011 per share amount
Basic	\$ 628	18,048,235	\$ 0.03
Dilutive effect of share options	-	120,175	-
	\$ 628	18,168,410	\$ 0.03

	Profit for the period attributed to common shareholders	Weighted average number of shares	Three-month period ended September 30, 2010 per share amount
Basic	\$ 1,539	18,031,500	\$ 0.08
Dilutive effect of share options	-	-	-
	\$ 1,539	18,031,500	\$ 0.08

	Profit for the period attributed to common shareholders	Weighted average number of shares	Nine-month period ended September 30, 2011 per share amount
Basic	\$ 3,086	18,042,032	\$ 0.17
Dilutive effect of share options	-	77,331	-
	\$ 3,086	18,119,363	\$ 0.17

	Profit for the period attributed to common shareholders	Weighted average number of shares	Nine-month period ended September 30, 2010 per share amount
Basic	\$ 3,248	18,028,106	\$ 0.18
Dilutive effect of share options	-	-	-
	\$ 3,248	18,028,106	\$ 0.18

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Notes to Interim Consolidated Financial Statements

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(Unaudited)

Expressed in Thousands of US Dollars (except per share amounts and number of shares)

8. Share-based Payment Expense

The Company has reserved 1,929,000 common shares for issuance under the Company's share option plan to officers, directors, employees and consultants of the Company. Options were granted at the discretion of the Board of Directors during the nine-month period ended September 30, 2011 as follows:

Date of Grant	Options Granted	Exercise Price (Cdn \$)
March 3, 2011	835,000	2.10
August 4, 2011	250,000	2.10

The options issued above vest evenly over a five-year period. These options expire five years and 60 days following the date of grant.

As of the date of both grants, the fair value of each stock option granted was estimated to be \$1.33, using the Black Scholes option pricing model with the following assumptions:

Risk-free interest rate - 3.02%;

Expected life - 5.16 years;

Volatility (determined by reference to historically observed prices of the common shares) - 88%;

Expected dividend yield - 0%; and

Expected forfeitures - 10%.

As at September 30, 2011, an aggregate of 1,587,355 stock options were outstanding, of which 349,094 were fully vested and exercisable by the holders thereof at a weighted average exercise price of \$2.17 per share.

Opta Minerals Inc.

Notes to Interim Consolidated Financial Statements

September 30, 2011, December 31, 2010 and September 30, 2010

(Unaudited)

Expressed in Thousands of US Dollars (except per share amounts and number of shares)

9. Segmented Information

Industry Segments

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer. 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; 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, New York; Waterdown, Ontario; Laval and St. Bruno de Guigues, Quebec.

Intersegment 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 Interim Consolidated Financial Statements****September 30, 2011, December 31, 2010 and September 30, 2010****(Unaudited)****Expressed in Thousands of US Dollars (except per share amounts and number of shares)****9. Segmented Information, cont'd****Industry Segments, cont'd**

	Three Months Ended September 30, 2011			
	Mill and Foundry Products and Services	Abrasive Products Manu- facturing and Distribution Operations	Unallocated	Total
External revenue by market				
Canada	\$ 2,458	\$ 1,485	\$ -	\$ 3,943
U.S.	10,996	5,351	-	16,347
Europe	3,772	-	-	3,772
Other	3	37	-	40
Total revenue from external customers	17,229	6,873	-	24,102
Segment operating profit (loss)	2,201	(511)	(171)	1,519
Finance expense				(423)
Income tax expense				(468)
Profit for the period				628
Total assets as at September 30, 2011	54,791	31,361	5,727	91,879
Depreciation of property, plant and equipment	230	273	41	544
Amortization of intangible assets	460	6	40	506
Goodwill and intangible assets as at September 30, 2011	30,214	3,564	366	34,144
Expenditures on property, plant and equipment	\$ 646	\$ 96	\$ 18	\$ 760

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

Opta Minerals Inc.**Notes to Interim Consolidated Financial Statements****September 30, 2011, December 31, 2010 and September 30, 2010****(Unaudited)****Expressed in Thousands of US Dollars (except per share amounts and number of shares)****9. Segmented Information, cont'd****Industry Segments, cont'd**

	Nine Months Ended September 30, 2011			
	Mill and Foundry Products and Services	Abrasive Products Manu- facturing and Distribution Operations	Unallocated	Total
External revenue by market				
Canada	\$ 6,774	\$ 4,574	\$ -	\$ 11,348
U.S.	32,642	14,970	-	47,612
Europe	11,423	-	-	11,423
Other	46	66	-	112
Total revenue from external customers	50,885	19,610	-	70,495
Segment operating profit (loss)	7,478	(1,347)	(125)	6,006
Finance expense				(1,244)
Income tax expense				(1,676)
Profit for the period				3,086
Depreciation of property, plant and equipment	689	822	94	1,605
Amortization of intangible assets	1,375	19	116	1,510
Expenditures on property, plant and equipment	\$ 1,140	\$ 354	\$ 78	\$ 1,572

Opta Minerals Inc.**Notes to Interim Consolidated Financial Statements****September 30, 2011, December 31, 2010 and September 30, 2010****(Unaudited)****Expressed in Thousands of US Dollars (except per share amounts and number of shares)****9. Segmented Information, cont'd****Industry Segments, cont'd**

	Three Months Ended September 30, 2010			
	Mill and Foundry Products and Services	Abrasive Products Manu- facturing and Distribution Operations	Unallocated	Total
External revenue by market				
Canada	\$ 2,763	\$ 1,595	\$ -	\$ 4,358
U.S.	7,758	5,652	-	13,410
Europe	2,559	-	-	2,559
Other	19	75	-	94
Total revenue from external customers	13,099	7,322	-	20,421
Segment operating profit	2,084	379	365	2,828
Finance expense				(606)
Income tax expense				(683)
Profit for the period				1,539
Total assets as at September 30, 2010	55,533	33,305	1,472	90,310
Depreciation of property, plant and equipment	273	270	37	580
Amortization of intangible assets	449	6	-	455
Goodwill and intangible assets as at September 30, 2010	32,510	3,588	193	36,291
Expenditures on property, plant and equipment	\$ 141	\$ 165	\$ 44	\$ 350

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, that individually exceeds 10% of the Company's revenue.

Opta Minerals Inc.**Notes to Interim Consolidated Financial Statements****September 30, 2011, December 31, 2010 and September 30, 2010****(Unaudited)****Expressed in Thousands of US Dollars (except per share amounts and number of shares)****9. Segmented Information, cont'd****Industry Segments, cont'd**

	Nine Months Ended September 30, 2010			
	Mill and Foundry Products and Services	Abrasive Products Manu- facturing and Distribution Operations	Unallocated	Total
External revenue by market				
Canada	\$ 7,320	\$ 4,560	\$ -	\$ 11,880
U.S.	23,450	15,760	-	39,210
Europe	8,213	11	-	8,224
Other	36	142	-	178
Total revenue from external customers	39,019	20,473	-	59,492
Segment operating profit (loss)	5,881	955	(604)	6,232
Finance expense				(1,490)
Income tax expense				(1,494)
Profit for the period				3,248
Depreciation of property, plant and equipment	848	726	89	1,663
Amortization of intangible assets	1,357	18	-	1,375
Expenditures on property, plant and equipment	\$ 199	\$ 654	\$ 305	\$ 1,158

Opta Minerals Inc.**Notes to Interim Consolidated Financial Statements****September 30, 2011, December 31, 2010 and September 30, 2010****(Unaudited)****Expressed in Thousands of US Dollars (except per share amounts and number of shares)****9. Segmented Information, cont'd****Geographic Segments**

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

	September 30, 2011			
	Canada	U.S.	Europe	Total
Property, plant and equipment	\$ 6,865	\$ 8,809	\$ 972	\$ 16,646
Goodwill and intangible assets	1,054	20,698	12,392	34,144
Total assets	19,723	50,781	21,375	91,879

	December 31, 2010			
	Canada	U.S.	Europe	Total
Property, plant and equipment	\$ 7,023	\$ 8,860	\$ 527	\$ 16,410
Goodwill and intangible assets	1,296	21,418	12,560	35,274
Total assets	20,633	49,129	16,868	86,630

Opta Minerals Inc.

Notes to Interim Consolidated Financial Statements

September 30, 2011, December 31, 2010 and September 30, 2010

(Unaudited)

Expressed in Thousands of US Dollars (except per share amounts and number of shares)

10. Transition to IFRS

The Company's interim consolidated financial statements for the three and nine months ended September 30, 2011 are the third interim consolidated financial statements that are prepared in accordance with IFRS. These interim consolidated financial statements have been prepared, as described in note 2. The Company's transition date was January 1, 2010 and the Company prepared its opening IFRS consolidated balance sheet at that date. The Company's IFRS adoption date was January 1, 2011.

The effect of the Company's transition to IFRS is summarized in this note as follows:

- A) Effect of material transition adjustments on the consolidated balance sheet, consolidated income statements and consolidated statements of comprehensive income:

i. Consolidated Balance Sheet

	Cdn. GAAP	September 30, 2010 Adj.	IFRS
Assets			
Current			
Cash and cash equivalents	\$ 909	\$ -	\$ 909
Trade and other receivables	13,374	-	13,374
Inventories	20,118	-	20,118
	34,401	-	34,401
Property, Plant and Equipment (note a)	17,378	(859)	16,519
Intangible Assets	29,602	-	29,602
Goodwill	6,496	-	6,496
Deferred Income Tax Assets	3,292	-	3,292
	\$ 91,169	\$ (859)	\$ 90,310
Liabilities			
Current			
Trade and other payables (note c)	12,733	(1,624)	11,109
Borrowings	7,524	-	7,524
Provisions (note c)	-	1,624	1,624
Other liabilities (note d)	-	531	531
Income taxes payable	929	-	929
Preference shares	45	-	45
	21,231	531	21,762
Borrowings	16,735	-	16,735
Derivative Financial Instrument	1,095	-	1,095
Other Liabilities (note d)	-	1,813	1,813
Deferred Income Tax Liabilities (note b)	3,011	(160)	2,851
Deferred Income Tax Liability on Intangible Assets	8,701	-	8,701
	50,773	2,184	52,957
Equity Attributable to the Shareholders of the Company			
Capital Stock	17,626	-	17,626
Contributed Surplus (note e)	2,168	367	2,535
Accumulated Other Comprehensive Income (Loss) (notes a,f)	1,892	(4,153)	(2,261)
Retained Earnings (note g)	18,710	743	19,453
	40,396	(3,043)	37,353
	\$ 91,169	\$ (859)	\$ 90,310

Opta Minerals Inc.

Notes to Interim Consolidated Financial Statements

September 30, 2011, December 31, 2010 and September 30, 2010

(Unaudited)

Expressed in Thousands of US Dollars (except per share amounts and number of shares)

10. Transition to IFRS, cont'd

ii. Interim Consolidated Income Statements

	Three months ended September 30, 2010			Nine months ended September 30, 2010		
	Cdn. GAAP	Adj.	IFRS	Cdn. GAAP	Adj.	IFRS
Revenue	\$ 20,421	\$ -	\$ 20,421	\$ 59,492	\$ -	\$ 59,492
Cost of goods sold (note a)	15,230	(9)	15,221	44,320	(28)	44,292
Gross Profit	5,191	9	5,200	15,172	28	15,200
Selling, general and administrative expenses (note e)	3,362	(26)	3,336	9,500	17	9,517
Other income (note f)	(1,136)	172	(964)	(824)	275	(549)
Operating Profit	2,965	(137)	2,828	6,496	(264)	6,232
Finance expense	606	-	606	1,490	-	1,490
Profit Before Income Tax	2,359	(137)	2,222	5,006	(264)	4,742
Income tax expense (note b)	682	1	683	1,489	5	1,494
Profit for the Period Attributable to the Shareholders of the Company	\$ 1,677	\$ (138)	\$ 1,539	\$ 3,517	\$ (269)	\$ 3,248

iii. Interim Consolidated Statements of Comprehensive Income

	Three months ended September 30, 2010			Nine months ended September 30, 2010		
	Cdn. GAAP	Adj.	IFRS	Cdn. GAAP	Adj.	IFRS
Profit for the Period	\$ 1,677	\$ (138)	\$ 1,539	\$ 3,517	\$ (269)	\$ 3,248
Other Comprehensive Income						
Unrealized gain (loss) on translation of foreign operations (note a)	337	4	341	(1,510)	(9)	(1,519)
Transfer of realized gain on translation of foreign operations (note f)	(172)	172	-	(275)	275	-
Unrealized gain on derivative financial instrument	55	-	55	175	-	175
Comprehensive Income (Loss) Attributable to the Shareholders of the Company	\$ 1,897	\$ 38	\$ 1,935	\$ 1,907	\$ (3)	\$ 1,904

Opta Minerals Inc.

Notes to Interim Consolidated Financial Statements

September 30, 2011, December 31, 2010 and September 30, 2010

(Unaudited)

Expressed in Thousands of US Dollars (except per share amounts and number of shares)

10. Transition to IFRS, cont'd

B) Explanatory notes

- a. **Fair value of property, plant and equipment as deemed cost** – In accordance with IFRS transitional provisions, the Company elected to devalue certain items of property, plant and equipment which had a net book value of \$1,143 to their fair value of \$266 at January 1, 2010. The resulting decreased depreciation expense of \$28 for the nine months ended September 30, 2010 and \$9 for the three months ended September 30, 2010 was included in cost of goods sold in the interim consolidated income statement. A reduction in property, plant and equipment at September 30, 2010 of \$859 is net of accumulated depreciation and there was a corresponding debit to the foreign currency translation reserve of \$9 for the nine months ended September 30, 2010 and a credit of \$4 for the three months ended September 30, 2010.
- b. **Income tax adjustments** – Deferred income tax balances have been adjusted to give effect to the fair value as deemed cost adjustment to property, plant and equipment. The reduction in the value of property, plant and equipment resulted in a decrease in the deferred income tax liability and a corresponding increase to retained earnings of \$165 at January 1, 2010. At September 30, 2010, the reduction in the deferred income tax liability was \$160 with an additional deferred income tax expense of \$5 and \$1 being recognized in the interim consolidated income statement for the nine and three month periods then ended.
- c. **Provisions** – Under IFRS, provisions are required to be disclosed on the face of the consolidated balance sheet with a more detailed breakdown included in the notes. Under Canadian GAAP, contingencies were included within trade and other payables. Trade and other payables have been decreased and provisions increased by \$1,624 at September 30, 2010.
- d. **Recognition of contingent consideration** – On October 4, 2006, the Company acquired the outstanding shares of Bimac. Pursuant to the purchase agreement, additional consideration, not to exceed \$3,850, may be payable based on the achievement of certain predetermined earnings targets between October 1, 2006 and September 30, 2016. Under IFRS, this contingent consideration is required to be measured as a financial liability at fair value and remeasured at each reporting date. Under Canadian GAAP, no liability was recognized and amounts paid were recognized as an expense when incurred. This resulted in the recognition of a financial liability of \$2,344 and a corresponding decrease to retained earnings at January 1, 2010 and September 30, 2010.
- e. **Share-based payments** – Under IFRS, the Company accrues the cost of employee share options over the vesting period using the graded method of amortization rather than the straight-line method, which was the Company's policy under Canadian GAAP. This increased contributed surplus and reduced retained earnings at January 1, 2010 by \$351. For the nine month period ended September 30, 2010, this increased selling, general and administrative expenses and decreased contributed surplus by \$16. For the three-month period ended September 30, 2010, this decreased selling, general and administrative expenses and increased contributed surplus by \$25.

Opta Minerals Inc.

Notes to Interim Consolidated Financial Statements

September 30, 2011, December 31, 2010 and September 30, 2010

(Unaudited)

Expressed in Thousands of US Dollars (except per share amounts and number of shares)

10. Transition to IFRS, cont'd

- f. **Foreign currency translation reserve** – In accordance with IFRS transitional provisions, the Company elected to reset the foreign currency translation reserve account, which includes gains and losses arising from the translation of foreign operations, to \$Nil at the date of transition to IFRS. Accumulated other comprehensive income has been decreased and retained earnings have been increased by \$4,419 at January 1, 2010. Under Canadian GAAP, the Company transferred a portion of the foreign currency translation reserve to the income statement as a result of equity distributions from a subsidiary. This treatment is not permitted under IFRS and this resulted in a credit to the foreign currency translation reserve and a corresponding increase in other expenses of \$275 and \$172 for the nine and three month periods ended September 30, 2010, respectively.
- g. **Retained earnings** – The following is a summary of transition adjustments to the Company's retained earnings from Canadian GAAP to IFRS:

	September 30, 2010
Retained earnings – Canadian GAAP	\$ 18,710
IFRS adjustments	
Foreign currency translation reserve (note f)	4,419
Transfer of realized foreign exchange gains (note f)	(275)
Share-based payments (note e)	(367)
Fair value of property, plant and equipment as deemed cost (note a)	(850)
Recognition of contingent consideration (note d)	(2,344)
Income tax adjustments (note b)	160
Retained earnings – IFRS	\$ 19,453

C) Adjustments to the interim consolidated statements of cash flows

The transition from Canadian GAAP to IFRS had no significant impact on the cash flows generated by the Company.

11. Subsequent Events

- a. The Company was committed to purchase land, buildings and certain production equipment at its Virginia facility for \$2,500 at the end of the lease term. On November 4, 2011, the Company purchased the facility, which was financed through a bank term loan facility.
- b. The Company purchased 100% of the members' interest in a Michigan Limited Liability Company operating in Ohio, through one of its subsidiaries on November 10, 2011, for approximately \$1,600 in cash and contingent consideration. The acquisition complements existing business and expands the Company's market position in the Mill and Foundry Products and Services segment. The Company is in the process of completing the purchase price accounting for the acquisition.