

Opta Minerals Inc.

Interim Consolidated Financial Statements

June 30, 2011, December 31, 2010 and June 30, 2010

(Unaudited)

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

Opta Minerals Inc.

Interim Consolidated Financial Statements

June 30, 2011, December 31, 2010 and June 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 June 30, 2011, December 31, 2010 and June 30, 2010

(Unaudited)

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

	June 30, 2011	December 31, 2010	June 30, 2010
Assets			
Current			
Cash and cash equivalents	\$ 2,033	\$ 495	\$ 1,111
Trade and other receivables	14,369	12,002	12,714
Inventories	22,821	19,259	17,689
	39,223	31,756	31,514
Property, Plant and Equipment (note 3)	16,889	16,410	16,555
Intangible Assets	29,417	29,255	28,685
Goodwill	6,019	6,019	6,019
Deferred Income Tax Assets	3,567	3,190	3,271
	\$ 95,115	\$ 86,630	\$ 86,044
Liabilities			
Current			
Trade and other payables	10,482	9,126	7,552
Borrowings	10,680	6,659	9,066
Provisions (note 4)	1,076	1,560	1,533
Other liabilities	427	427	531
Income taxes payable	815	250	533
Preference shares	46	46	44
	23,526	18,068	19,259
Borrowings	16,202	16,559	17,353
Derivative Financial Instrument	604	892	1,187
Other Liabilities	1,458	1,486	1,813
Deferred Income Tax Liabilities	3,552	3,251	2,507
Deferred Income Tax Liability on Intangible Assets	8,458	8,510	8,568
	53,800	48,766	50,687
Equity Attributable to the Shareholders of the Company			
Capital Stock			
Authorized – unlimited common shares and preference shares without par value			
Issued – 18,041,781 (December 31, 2010 – 18,036,974 June 30, 2010 – 18,030,523) common shares (note 5)	17,642	17,632	17,622
Contributed Surplus	3,051	2,781	2,466
Accumulated Other Comprehensive Income (Loss)	(1,727)	(2,440)	(2,645)
Retained Earnings	22,349	19,891	17,914
	41,315	37,864	35,357
	\$ 95,115	\$ 86,630	\$ 86,044

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

Approved by the Board of Directors on August 4, 2011

"Victor Hepburn"

Director

"Donald Loeb"

Director

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

	June 30, 2011	June 30, 2010
Revenue	\$ 24,787	\$ 21,140
Cost of Goods Sold	19,320	15,743
Gross Profit	5,467	5,397
Selling, general and administrative expenses	3,554	3,321
Other expenses (income)	(130)	388
Operating Profit	2,043	1,688
Finance expense	408	444
Profit for the Period Before Income Tax	1,635	1,244
Income tax expense	600	413
Profit for the Period Attributable to the Shareholders of the Company	\$ 1,035	\$ 831
Earnings per share for the period - Basic and diluted (note 6)	0.06	0.05

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

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

	June 30, 2011	June 30, 2010
Revenue	\$ 46,393	\$ 39,071
Cost of Goods Sold	35,739	29,071
Gross Profit	10,654	10,000
Selling, general and administrative expenses	6,741	6,181
Other expenses (income)	(574)	415
Operating Profit	4,487	3,404
Finance expense	821	884
Profit for the Period Before Income Tax	3,666	2,520
Income tax expense	1,208	811
Profit for the Period Attributable to the Shareholders of the Company	\$ 2,458	\$ 1,709
Earnings per share for the period - Basic and diluted (note 6)	0.14	0.10

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 June 30, 2011 and 2010****(Unaudited)****Expressed in Thousands of US Dollars (except per share amounts and number of shares)**

	June 30, 2011	June 30, 2010
Profit for the Period Attributable to the Shareholders of the Company	\$ 1,035	\$ 831
Other Comprehensive Income		
Unrealized gain (loss) on translation of foreign operations	263	(756)
Unrealized gain on derivative financial instrument	81	9
Other comprehensive income (loss), net of tax	344	(747)
Comprehensive Income Attributable to the Shareholders of the Company	\$ 1,379	\$ 84

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

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

	June 30, 2011	June 30, 2010
Profit for the Period Attributable to the Shareholders of the Company	\$ 2,458	\$ 1,709
Other Comprehensive Income		
Unrealized gain (loss) on translation of foreign operations	535	(1,848)
Unrealized gain on derivative financial instrument	178	120
Other comprehensive income (loss), net of tax	713	(1,728)
Comprehensive Income (Loss) Attributable to the Shareholders of the Company	\$ 3,171	\$ (19)

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 Six Months Ended June 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	-	-	-	-	-	2,458	2,458
Unrealized gain on translation of foreign operations	-	-	-	-	535	-	535
Unrealized gain on financial derivative designated as a cash flow hedge	-	-	-	178	-	-	178
Total Comprehensive Income	-	-	-	178	535	2,458	3,171
Transactions with Shareholders							
Employee share purchase plan	4,807	10	-	-	-	-	10
Share-based payment expense	-	-	270	-	-	-	270
Total Transactions with Shareholders	4,807	10	270	-	-	-	280
At June 30, 2011	18,041,781	\$ 17,642	\$ 3,051	\$ (418)	\$ (1,309)	\$ 22,349	\$ 41,315
At January 1, 2010	18,023,193	17,612	2,301	(917)	-	16,205	35,201
Comprehensive Income (Loss)							
Profit for the period	-	-	-	-	-	1,709	1,709
Unrealized loss on translation of foreign operations	-	-	-	-	(1,848)	-	(1,848)
Unrealized gain on financial derivative designated as a cash flow hedge	-	-	-	120	-	-	120
Total Comprehensive Income (Loss)	-	-	-	120	(1,848)	1,709	(19)
Transactions with Shareholders							
Employee share purchase plan	7,330	10	-	-	-	-	10
Share-based payment expense	-	-	165	-	-	-	165
Total Transactions with Shareholders	7,330	10	165	-	-	-	175
At June 30, 2010	18,030,523	\$ 17,622	\$ 2,466	\$ (797)	\$ (1,848)	\$ 17,914	\$ 35,357

*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 Six Months Ended June 30, 2011 and 2010****(Unaudited)****Expressed in Thousands of US Dollars (except per share amounts and number of shares)**

	June 30, 2011	June 30, 2010
Cash Provided by (Used in) -		
Operating Activities		
Profit for the period	\$ 2,458	\$ 1,709
Items not affecting cash:		
Depreciation of property, plant and equipment	1,061	1,083
Amortization of intangible assets	1,004	920
Share-based payment expense	270	165
Non-cash finance expense	(9)	-
Deferred income taxes	(354)	(981)
Loss on disposal of property, plant and equipment	4	-
	4,434	2,896
Changes in non-cash working capital		
Trade and other receivables	(2,325)	(2,815)
Inventories	(3,502)	(508)
Trade and other payables	951	1,185
Provisions	(484)	(208)
Income taxes receivable and payable	531	1,094
	(395)	1,644
Financing Activities		
Proceeds from issuance of common shares – net of issuance costs (note 5)	10	10
Proceeds from borrowings	4,102	1,137
Repayment of finance lease liability	(55)	-
Repayment of borrowings	(1,274)	(1,616)
	2,783	(469)
Investing Activities		
Proceeds on disposal of property, plant and equipment	2	-
Additions to property, plant and equipment	(812)	(808)
Additions to intangible assets	(66)	-
	(876)	(808)
Foreign Exchange Gain (Loss) on Cash Held in Foreign Currency	26	(37)
Increase in Cash and Cash Equivalents	1,538	330
Cash and Cash Equivalents		
Beginning of Period	495	781
End of Period	\$ 2,033	\$ 1,111
Additional Cash Flow Information:		
Interest paid	\$ 861	\$ 940
Income taxes paid	1,033	609

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

Opta Minerals Inc.

Notes to Interim Consolidated Financial Statements

June 30, 2011, December 31, 2010 and June 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*, and IFRS 1, *First-time Adoption of International Financial Reporting Standards*. 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 8 discloses the impact of the transition to IFRS on the Company's reported equity as at June 30, 2010 and comprehensive income for the three and six months ended June 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.

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 August 4, 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.

Opta Minerals Inc.

Notes to Interim Consolidated Financial Statements

June 30, 2011, December 31, 2010 and June 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 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. 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 Interest 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).

Each of the new standards is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. 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.

Opta Minerals Inc.

Notes to Interim Consolidated Financial Statements

June 30, 2011, December 31, 2010 and June 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

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.

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.

Opta Minerals Inc.

Notes to Interim Consolidated Financial Statements

June 30, 2011, December 31, 2010 and June 30, 2010

(Unaudited)

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

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 \$271, which is under construction. This asset is not currently being depreciated as it is not available for use.

4. Provisions

The Company settled a legal claim with a former vendor for \$630. The claim related to the operations in Romans, France and existed at the time of acquisition.

5. 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 six months ended June 30, 2011, 4,807 (June 30, 2010 – 7,330) common shares were purchased under the ESPP for proceeds of \$10 (June 30, 2010 - \$10).

6. 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 June 30, 2011 per share amount
Basic	\$ 1,035	18,040,020	\$ 0.06
Dilutive effect of share options	-	71,527	-
	\$ 1,035	18,111,547	\$ 0.06

	Profit for the period attributed to common shareholders	Weighted average number of shares	Three month period ended June 30, 2010 per share amount
Basic	\$ 831	18,028,211	\$ 0.05
Dilutive effect of share options	-	-	-
	\$ 831	18,028,211	\$ 0.05

Opta Minerals Inc.**Notes to Interim Consolidated Financial Statements****June 30, 2011, December 31, 2010 and June 30, 2010****(Unaudited)****Expressed in Thousands of US Dollars (except per share amounts and number of shares)****6. Earnings per Share, cont'd**

	Profit for the period attributed to common shareholders	Weighted average number of shares	Six month period ended June 30, 2011 per share amount
Basic	\$ 2,458	18,038,867	\$ 0.14
Dilutive effect of share options	-	69,901	-
	\$ 2,458	18,108,768	\$ 0.14

	Profit for the period attributed to common shareholders	Weighted average number of shares	Six month period ended June 30, 2010 per share amount
Basic	\$ 1,709	18,026,359	\$ 0.10
Dilutive effect of share options	-	-	-
	\$ 1,709	18,026,359	\$ 0.10

Opta Minerals Inc.

Notes to Interim Consolidated Financial Statements

June 30, 2011, December 31, 2010 and June 30, 2010

(Unaudited)

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

7. 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****June 30, 2011, December 31, 2010 and June 30, 2010****(Unaudited)****Expressed in Thousands of US Dollars (except per share amounts and number of shares)****7. Segmented Information, cont'd****Industry Segments, cont'd**

	Three Months Ended June 30, 2011			
	Mill and Foundry Products and Services	Abrasive Products Manu- facturing and Distribution Operations	Unallocated	Total
External revenue by market				
Canada	\$ 2,496	\$ 1,638	\$ -	\$ 4,134
U.S	10,975	5,549	-	16,524
Europe	4,057	-	-	4,057
Other	43	29	-	72
Total revenue from external customers	17,571	7,216	-	24,787
Segment operating profit	2,492	(221)	(228)	2,043
Finance expense				(408)
Income tax expense				(600)
Profit for the period				1,035
Total assets as at June 30, 2011	57,493	33,654	3,968	95,115
Depreciation of property, plant and equipment	235	283	23	541
Amortization of intangible assets	462	7	39	508
Goodwill and intangible assets as at June 30, 2011	31,438	3,571	427	35,436
Expenditures on property, plant and equipment	\$ 389	\$ 116	\$ 6	\$ 511

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

Opta Minerals Inc.**Notes to Interim Consolidated Financial Statements****June 30, 2011, December 31, 2010 and June 30, 2010****(Unaudited)****Expressed in Thousands of US Dollars (except per share amounts and number of shares)****7. Segmented Information, cont'd****Industry Segments, cont'd**

	Six Months Ended June 30, 2011			
	Mill and Foundry Products and Services	Abrasive Products Manu- facturing and Distribution Operations	Unallocated	Total
External revenue by market				
Canada	\$ 4,316	\$ 3,089	\$ -	\$ 7,405
U.S	21,646	9,619	-	31,265
Europe	7,651	-	-	7,651
Other	43	29	-	72
Total revenue from external customers	33,656	12,737	-	46,393
Segment operating profit	5,277	(836)	46	4,487
Finance expense				(821)
Income tax expense				(1,208)
Profit for the period				2,458
Depreciation of property, plant and equipment	459	549	53	1,061
Amortization of intangible assets	915	13	76	1,004
Expenditures on property, plant and equipment	\$ 494	\$ 258	\$ 60	\$ 812

Opta Minerals Inc.**Notes to Interim Consolidated Financial Statements****June 30, 2011, December 31, 2010 and June 30, 2010****(Unaudited)****Expressed in Thousands of US Dollars (except per share amounts and number of shares)****7. Segmented Information, cont'd****Industry Segments, cont'd**

	Three Months Ended June 30, 2010			
	Mill and Foundry Products and Services	Abrasive Products Manu- facturing and Distribution Operations	Unallocated	Total
External revenue by market				
Canada	\$ 2,742	\$ 1,630	\$ -	\$ 4,372
U.S	8,312	5,478	-	13,790
Europe	2,930	11	-	2,941
Other	16	21	-	37
Total revenue from external customers	14,000	7,140	-	21,140
Segment operating profit	2,033	364	(709)	1,688
Finance expense				(444)
Income tax expense				(413)
Profit for the period				831
Total assets as at June 30, 2010	53,074	31,492	1,478	86,044
Depreciation of property, plant and equipment	279	235	28	542
Amortization of intangible assets	448	6	-	454
Goodwill and intangible assets as at June 30, 2010	31,110	3,594	-	34,704
Expenditures on property, plant and equipment	\$ 21	\$ 186	\$ 161	\$ 368

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****June 30, 2011, December 31, 2010 and June 30, 2010****(Unaudited)****Expressed in Thousands of US Dollars (except per share amounts and number of shares)****7. Segmented Information, cont'd****Industry Segments, cont'd**

	Six Months Ended June 30, 2010			
	Mill and Foundry Products and Services	Abrasive Products Manu- facturing and Distribution Operations	Unallocated	Total
External revenue by market				
Canada	\$ 4,557	\$ 2,965	\$ -	\$ 7,522
U.S	15,692	10,108	-	25,800
Europe	5,654	11	-	5,665
Other	17	67	-	84
Total revenue from external customers	25,920	13,151	-	39,071
Segment operating profit	3,797	576	(969)	3,404
Finance expense				(884)
Income tax expense				(811)
Profit for the period				1,709
Depreciation of property, plant and equipment	575	456	52	1,083
Amortization of intangible assets	908	12	-	920
Expenditures on property, plant and equipment	\$ 58	\$ 489	\$ 261	\$ 808

Opta Minerals Inc.**Notes to Interim Consolidated Financial Statements****June 30, 2011, December 31, 2010 and June 30, 2010****(Unaudited)****Expressed in Thousands of US Dollars (except per share amounts and number of shares)****7. Segmented Information, cont'd****Geographic Segments**

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

	June 30, 2011			
	Canada	U.S.	Europe	Total
Property, plant and equipment	\$ 7,232	\$ 8,585	\$ 1,072	\$ 16,889
Goodwill and intangible assets	1,208	20,939	13,289	35,436
Total assets	23,430	51,477	20,208	95,115

	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

June 30, 2011, December 31, 2010 and June 30, 2010

(Unaudited)

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

8. Transition to IFRS

The Company's interim consolidated financial statements for the three and six months ended June 30, 2011 are the second interim consolidated financial statements that comply 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 sheets, consolidated income statements and consolidated statements of comprehensive income:

i. Consolidated Balance Sheet

	June 30, 2010		
	Cdn. GAAP	Adj.	IFRS
Assets			
Current			
Cash and cash equivalents	\$ 1,111	\$ -	\$ 1,111
Trade and other receivables	12,714	-	12,714
Inventories	17,689	-	17,689
	31,514	-	31,514
Property, Plant and Equipment (note a)	17,415	(860)	16,555
Intangible Assets	28,685	-	28,685
Goodwill (note d)	6,019	-	6,019
Deferred Income Tax Assets	3,271	-	3,271
	\$ 86,904	\$ (860)	\$ 86,044
Liabilities			
Current			
Trade and other payables (note c)	9,085	(1,533)	7,552
Borrowings	9,066	-	9,066
Provisions (note c)	-	1,533	1,533
Other liabilities (note d)	-	531	531
Income taxes payable	533	-	533
Preference shares	44	-	44
	18,728	531	19,259
Borrowings	17,353	-	17,353
Derivative Financial Instrument	1,187	-	1,187
Other Liabilities (note d)	-	1,813	1,813
Deferred Income Tax Liabilities (note b)	2,668	(161)	2,507
Deferred Income Tax Liability on Intangible Assets	8,568	-	8,568
	48,504	2,183	50,687
Equity Attributable to the Shareholders of the Company			
Capital Stock	17,622	-	17,622
Contributed Surplus (note e)	2,073	393	2,466
Accumulated Other Comprehensive Income (Loss) (note a,f)	1,672	(4,317)	(2,645)
Retained Earnings (note g)	17,033	881	17,914
	38,400	(3,043)	35,357
	\$ 86,904	\$ (860)	\$ 86,044

Opta Minerals Inc.

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. Transition to IFRS, cont'd

ii. Interim Consolidated Income Statements

	Three months ended June 30, 2010			Six months ended June 30, 2010		
	Cdn. GAAP	Adj.	IFRS	Cdn. GAAP	Adj.	IFRS
Revenue	\$ 21,140	\$ -	\$ 21,140	\$ 39,071	\$ -	\$ 39,071
Cost of goods sold (note a)	15,753	(10)	15,743	29,090	(19)	29,071
Gross Profit	5,387	10	5,397	9,981	19	10,000
Selling, general and administrative expenses (note e)	3,284	37	3,321	6,138	43	6,181
Other expenses (note f)	384	4	388	312	103	415
Operating Profit	1,719	(31)	1,688	3,531	(127)	3,404
Finance expense	444	-	444	884	-	884
Profit Before Income Tax	1,275	(31)	1,244	2,647	(127)	2,520
Income tax expense (note b)	411	2	413	807	4	811
Profit for the Period Attributable to the Shareholders of the Company	\$ 864	\$ (33)	\$ 831	\$ 1,840	\$ (131)	\$ 1,709

iii. Interim Consolidated Statements of Comprehensive Income

	Three months ended June 30, 2010			Six months ended June 30, 2010		
	Cdn. GAAP	Adj.	IFRS	Cdn. GAAP	Adj.	IFRS
Profit for the Period	\$ 864	\$ (33)	\$ 831	\$ 1,840	\$ (131)	\$ 1,709
Other Comprehensive Income						
Unrealized (loss) on translation of foreign operations (note a)	(769)	13	(756)	(1,847)	(1)	(1,848)
Transfer of realized gain on translation of foreign operations (note f)	(4)	4	-	(103)	103	-
Unrealized gain (loss) on derivative financial instrument	9	-	9	120	-	120
Comprehensive Income Attributable to the Shareholders of the Company	\$ 100	\$ (16)	\$ 84	\$ 10	\$ (29)	\$ (19)

Opta Minerals Inc.

Notes to Interim Consolidated Financial Statements

June 30, 2011, December 31, 2010 and June 30, 2010

(Unaudited)

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

8. 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 \$19 for the six months ended June 30, 2010 and \$10 for the three months ended June 30, 2010 was included in cost of goods sold in the interim consolidated income statement. A reduction in property, plant and equipment at June 30, 2010 of \$860 is net of accumulated depreciation and there was a corresponding debit to the foreign currency translation reserve of \$1 for the six months ended June 30, 2010 and a credit of \$13 for the three months ended June 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 June 30, 2010, the reduction in the deferred income tax liability was \$161 with an additional deferred income tax expense of \$4 and \$2 being recognized in the interim consolidated income statement for the six 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 \$1,533 at June 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 June 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 six and three month periods ended June 30, 2010, this increased selling, general and administrative expenses and decreased contributed surplus by \$43 and \$37, respectively.

Opta Minerals Inc.

Notes to Interim Consolidated Financial Statements

June 30, 2011, December 31, 2010 and June 30, 2010

(Unaudited)

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

8. 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 \$103 and \$4 for the six and three month periods ended June 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:

	June 30, 2010
Retained earnings – Canadian GAAP	\$ 17,033
IFRS adjustments	
Foreign currency translation reserve (note f)	4,419
Transfer of realized foreign exchange gains (note f)	(103)
Share-based payments (note e)	(393)
Fair value of property, plant and equipment as deemed cost (note a)	(859)
Recognition of contingent consideration (note d)	(2,344)
Income tax adjustments (note b)	161
Retained earnings - IFRS	\$ 17,914

- 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.