Opta Minerals Inc.

ANNUAL INFORMATION FORM

For the Fiscal Year Ended December 31, 2005

March 31, 2006

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General Matters

As used in this Annual Information Form ("AIF"), unless the context otherwise requires or indicates, the "Company" or "Opta Minerals" means Opta Minerals Inc., together with each of its subsidiaries and divisions and includes, for the periods prior to the completion of the corporate reorganization discussed under "General Development of the Business", the "Opta Minerals Group" operating division of SunOpta Inc. ("SunOpta", formerly Stake Technology Ltd.) that was transferred to Opta Minerals pursuant to the Reorganization described under "General Development of the Business".

"Opta Minerals", the Opta Minerals logo, "BlackBlast", "EconoBlast", "EbonyGrit", "PowerBlast", and "Galaxy Garnet" are unregistered trade-marks or brand names used by the Company. "Barshot" is a registered trade-mark of the Company. All other trade-marks, service marks, designs or logos appearing in this form are the trade-marks, service marks, designs or logos of the company or entity that owns them.

Exchange Rate Information

All dollar references included in this AIF, unless otherwise noted, are in Canadian dollars. The following table sets out (1) the rate of exchange for one Canadian dollar in U.S. dollars in effect at the end of each of the following periods, (2) the high and low rate of exchange during those periods, and (3) the average rate of exchange for those periods, each based on the closing rate as per the Bank of Canada.

	High	Low	Average(1)	End of Period
Years ended December 31,				
2005	0.8682	0.7876	0.8254	0.8606
2004	0.8506	0.7165	0.7683	0.8319
2003	0.7726	0.6381	0.7135	0.7726

Notes:

(1) The average of the daily closing rates on the last business day of each month during the period.

Special Note Regarding Forward-Looking Statements

Certain statements in this AIF may constitute "forward-looking" statements which involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this AIF, such statements use such words as "may", "will", "expect", "believe", "plan", "intend" and other similar terminology. These statements reflect current expectations regarding future events and operating performance and speak only as of the date of this AIF. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed under “Risk Factors”. Although the forward-looking statements contained in this AIF are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors or potential investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this AIF, and the Company assumes no obligation to update or revise them to reflect new events or circumstances.

CORPORATE STRUCTURE

Incorporation of the Company

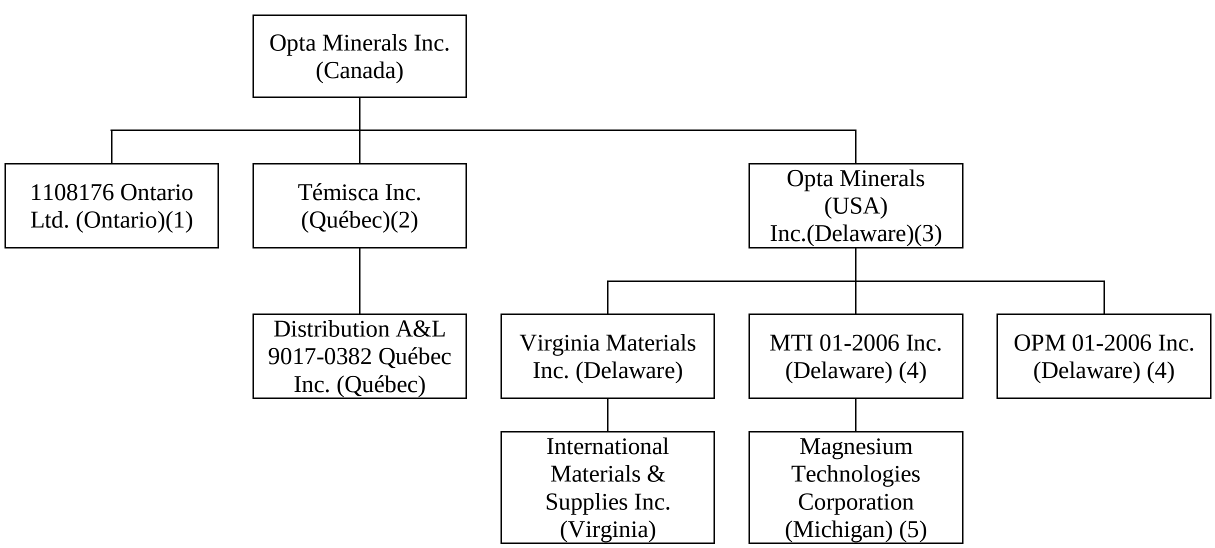
The Company was incorporated under the *Canada Business Corporations Act* on July 8, 2004 under the name Opta Minerals Inc. to assume the assets and business of the Opta Minerals Group operating division of SunOpta. SunOpta is a public company listed on The Toronto Stock Exchange (the “TSX”) and the NASDAQ National Market (“NASDAQ”).

The Company’s head and registered office is located at 407 Parkside Drive, Waterdown, Ontario, Canada, L0R 2H0. The Company and its subsidiaries maintain operations in Waterdown, Ontario; Saint-Bruno-de-Guigues, Québec; Drummondville, Québec; Lachine, Québec; New Orleans, Louisiana; Hardeeville, South Carolina; Norfolk, Virginia; Baltimore, Maryland; Attica, New York; Keeseville, New York; Richfield, Ohio; and Walkerton, Indiana.

Intercorporate Relationships

The following chart outlines the Company’s corporate structure and the jurisdiction of incorporation of the Company and its material subsidiaries as at March 27, 2006:

Unless indicated otherwise, each subsidiary is wholly-owned by its parent.



Notes:

(1) Certain non-voting Preferred Shares of 1108176 Ontario Limited (the "1108176 Preferred Shares") are held by a party other than the Company. The outstanding 1108176 Preferred Shares are subject to redemption in accordance with a prescribed schedule and are to be completely redeemed on or prior to the end of 2006 for aggregate consideration of approximately $31,000. As of the date hereof, there are 30,000 Preferred Shares outstanding.

(2) Certain non-voting Series H Preferred Shares of Témisca Inc. (the "Series H Shares") are held by parties other than the Company. The Company has previously repurchased for cancellation all but 46,412 Series H Shares (representing approximately 10% of the outstanding Series H Shares). The Company intends, to the extent possible, to repurchase the remaining outstanding Series H Shares for aggregate consideration of approximately $46,000.

(3) Opta Minerals (USA) Inc. was incorporated on November 19, 2004 in contemplation of the Reorganization, in order to facilitate the transfer of certain US assets and the shares of Virginia Materials and International Materials from SunOpta to Opta Minerals on a tax efficient basis.

(4) Holding companies with no active business.

(5) On February 15th, 2006 the Company acquired all of the outstanding shares of Magnesium Technologies Corporation.

GENERAL DEVELOPMENT OF THE BUSINESS

Initial Public Offering of the Company

On February 17, 2005 the Company completed an initial public offering (the "IPO"). The terms of the IPO were governed by an underwriting agreement dated February 7, 2005 (the "Underwriting Agreement") entered into among the Company, SunOpta, and Loewen, Ondaatje, McCutcheon Limited, First Associates Investments Inc. and Canaccord Capital Corporation (the "Underwriters"). Pursuant to the IPO, an aggregate of 4,500,000 units ("Units") of the Company were issued and sold to the public at a purchase price of $4.00 per Unit, for aggregate gross proceeds of $18,000,000. Each Unit consisted of one common share in the capital of the Company (a "Common Share") and one-half of a Common Share purchase warrant (each whole Common Share purchase warrant, a "Warrant"). Each Warrant entitles the holder thereof to purchase one Common Share at a price of $5.00 any time on or before February 17, 2007. The Warrants are governed by the terms and conditions of a warrant indenture agreement dated February 17, 2005 between the Company and Equity Transfer Services Inc., as warrant agent. The Common Shares and Warrants began trading on the TSX on February 17, 2005 and under the symbols "OPM" and "OPM.WT", respectively.

On March 16, 2005, the Company issued an additional 450,000 Common Shares and 225,000 Warrants pursuant to the exercise of the over-allotment option granted to the Underwriters under the Underwriting Agreement, for gross proceeds of $1,800,000, bringing the total gross proceeds of the IPO to $19,800,000, ($17,408,000 net of issuance costs).

Approximately $15,508,000 of the proceeds recorded were immediately used to reduce debt owed to SunOpta to $10,071,000. The remaining $10,071,000 to SunOpta was payable over four years, but was repaid on September 30, 2005 without penalty by drawing on a new $8,000,000 facility from the Bank of Montreal that is payable over 10 years and by utilizing $2.1 million of cash on hand. The Company's operating facility was also extended from $5,000,000 to $7,500,000 but was not drawn upon for the settlement.

The Reorganization

Immediately prior to the closing of the IPO, SunOpta (including certain wholly-owned subsidiaries of SunOpta): (i) completed an internal reorganization of its corporate legal structure; and (ii) transferred to the Company all of the assets and liabilities held directly by it, and all of its interest in certain subsidiaries, which collectively comprised the Opta Minerals Group of SunOpta (the "Reorganization").

The Reorganization was completed pursuant to the terms of a purchase agreement entered into between SunOpta and the Company (the "Purchase Agreement"). The Purchase Agreement contained representations and warranties with prescribed survival periods as to various matters, including organization and status, power and authorization, financial statements, litigation, title to assets and material contracts. More specifically, the Reorganization included the following steps:

- SunOpta internally reorganized its corporate structure such that all of the issued and outstanding voting securities of Virginia Materials Inc., Témisca Inc. and 1108176 Ontario Limited were held directly by SunOpta; and
- pursuant to the terms of the Purchase Agreement, SunOpta transferred to the Company all of the assets and liabilities of SunOpta in respect of the Opta Minerals Group owned by SunOpta and all of the issued and outstanding securities of Virginia Materials Inc., Témisca Inc. and 1108176 Ontario Limited, in exchange for 11,999,900 Common Shares of the Company.

For convenience, references to the Company or Opta Minerals in this AIF prior to the date of the Reorganization include the Opta Minerals Group of SunOpta, which operated independently of SunOpta's other businesses, including its core natural and organic food business.

Immediately following the completion of the Reorganization, SunOpta held 100% of the issued and outstanding Common Shares of the Company. Following the completion of the Reorganization and the IPO on February 17, 2005 (and prior to the exercise of the over-allotment option granted to the Underwriters under the Underwriting Agreement), SunOpta held 12,000,000 or approximately 72.7% of the issued and outstanding Common Shares. After the exercise of the over allotment in March 2005 and certain repurchases of Opta Minerals shares by SunOpta in 2005, SunOpta's ownership position is 70.6%.

The Reorganization and IPO are described in greater detail in the prospectus of the Company dated February 7, 2005, which can be found on SEDAR at www.sedar.com.

Growth and Acquisitions

Prior to the Reorganization, the Company had grown steadily since 1995 through a combination of internal growth and strategic acquisitions in Eastern Canada and the Eastern and South-eastern United States. The following is a summary outlining the growth of the Company's business prior to the reorganisation and IPO.

Acquisition of Virginia Materials and Supplies, Inc. and International Materials & Supplies, Inc.

In October 2001, the Company's wholly-owned subsidiary, Virginia Materials, Inc. ("Virginia Materials"), acquired certain assets of Virginia Materials and Supplies, Inc. including inventory, equipment and other long-term assets, as well as 51% of the outstanding common shares of International Materials & Supplies, Inc. ("International Materials"). Virginia Materials is a primary producer and supplier of silica-free abrasives to the U.S. naval shipyards and other major shipyards in the area. Virginia Materials also recycles spent abrasives which are used in the production of cement and converts aluminium smelting waste into an abrasive product. In hand with the Company's operations in Louisiana, these operations further expanded the Company's ability to service the South-eastern United States with quality silica-free abrasives that are approved under the U.S. Military Qualified Products List (QPL).

In November 2002, Virginia Materials purchased the remaining 49% interest in International Materials. International Materials produces industrial garnets as a by-product from a mining operation and further processes the garnets for sale primarily to the water filtration, water jet cutting and abrasives markets.

Acquisition of Distribution A&L

In April 2004, the Company acquired the outstanding shares of Distribution A&L — 9017-0382 Québec Inc. ("Distribution A&L"). Distribution A&L is a packager and distributor of industrial minerals and abrasives located in Drummondville, Québec specializing in the distribution of specialty abrasives and other related mineral products. Distribution A&L focuses on smaller markets not previously serviced by the Company and specializes in the industrial, automotive and pool filtration industries. These core competencies are an integral part of the Company's strategic plan to expand product breadth and sales capabilities.

Acquisition of Certain Assets of Foster Dixiana Corporation

In April 2004, the Company acquired certain assets of an abrasive facility in Hardeeville, South Carolina for the purpose of improving the cost-effective supply of silica-free abrasives to the North Carolina, South Carolina, Florida and Georgia markets. Since the acquisition of these assets, the facility has been upgraded and operations restructured to meet Opta Minerals' processing standards and attain U.S. Military Qualified Products List (QPL) approvals, and has commenced the supply of silica-free abrasives to customers in the servicing area. This facility is a large processing location that facilitates cost-effective supply of abrasives to shipyards in the South-eastern United States.

Construction of Abrasives Facility in Baltimore, Maryland

In September 2004, the Company completed construction of an abrasives processing facility located in Baltimore, Maryland. This facility is strategically located to exploit an exclusive source of quality raw materials located in the area, thus providing a low cost supply to service the marine, bridge cleaning and general abrasives industries. This facility began operations in October 2004.

Funds raised through the Company's IPO were intended to be used primarily for strategic acquisitions and investments in new products, technologies, and businesses that expand and complement the Company's business, to pay debt, and general corporate purposes. The following is a summary outlining the growth of the Company's business subsequent to the reorganisation IPO (see prospectus page 30).

Acquisition of the abrasive production division of Hillcrest Industries Inc.

In May 2005, the Company acquired certain assets of an abrasive facility in Attica, New York. including a 10 year supply agreement for coal slag which is used to produce abrasive products and granules for roofing shingles. The supply potential from this agreement is estimated to be 30,000 to 40,000 tons annually. The equipment acquired was upgraded to increase capacity to 25,000 to 30,000 net tons per year and allow for the production of roofing shingle granules. Commercial production at this facility began late in 2005. The location of the plant will also allow the Company to cost effectively expand its geographic coverage into Pennsylvania and Ohio, representing new customer and geographic market opportunities for the Company.

Establishment of Distribution Centre in Brantford, Ontario.

In May 2005 the Company established a distribution centre for the resale of abrasive, steel and foundry products in Brantford, Ontario. This 47,000 square foot facility provided the necessary logistics to introduce new specialty abrasives to the Ontario and New York markets while taking advantage of favourable freight logistics and reduced costs to the Brantford area**.**

Acquisition of Magnesium Technologies Corporation

In February 2006, the Company acquired 100% of the outstanding shares of Magnesium Technologies Corporation ("Magtech"). Magtech sells proprietary and patented desulphurization systems which are customized for the specific requirements of each customer it services. In addition to desulphurization products, the Company provides other magnesium based products such as magnesium chips for thixomoulding and ground magnesium for heater plates that are used in food ration packs. Total revenues generated by Magtech in 2005 were approximately U.S. $29,000,000.

The acquisition of Magtech constitutes a "significant acquisition" under applicable securities law. The Company intends to file a Business Acquisition Report prepared in accordance with the requirements of National Instrument 51-102-Continous Disclosure Obligations, on or before May 1, 2006. The Business Acquisition Report will be available on SEDAR at www.sedar.com.

DESCRIPTION OF THE BUSINESS

Overview of the Company

The Company is a vertically integrated producer, manufacturer, distributor and recycler of silica-free loose abrasives, industrial minerals, specialty sands and related products for use primarily in the foundry, steel, marine/bridge cleaning and municipal water filtration industries. The Company has experienced solid growth since July 1995, through a combination of internal growth and successfully integrated strategic acquisitions to become one of the dominant regional suppliers of silica-free loose abrasives in a number of select markets on the east coast of North America. Throughout its history, the Company has never experienced an operating loss. These results were achieved while the Company was an operating group of SunOpta and during a period in which SunOpta dedicated the majority of its resources to building its core organic and natural food business.

The Company currently has production and distribution facilities in Ontario, Quebec, Louisiana, South Carolina, Virginia, Maryland, New York, and Indiana and one of the broadest product lines in the industry. Recognizing that the fragmentation and lack of consolidation among suppliers in its industry has provided it with a strategic growth opportunity, the Company intends to capitalize on this opportunity to become one of the dominant North American suppliers of silica-free loose abrasives and industrial minerals while at the same time leveraging this core expertise to expand its breadth of services and product offering in other industrial products. In order to achieve this objective, the Company intends to accelerate its revenue and market share growth over the next several years by making a number of additional strategic acquisitions, through geographic expansion and through continued development of new products and services.

As part of the Company’s business strategy, it seeks to create or acquire vertically integrated product lines. To the maximum extent possible, the Company participates at all levels of production, starting with sourcing raw materials and continuing through to the processing, distribution and recycling of its used products. Through this model, the Company is able to optimize control of quality and enhance value-added margins, as well as provide a complete range of products and services to its customers.

The Company manufactures a wide range of silica-free abrasives, including under the brand names Barshot, Crystalgrit, BlackBlast, EconoBlast, EbonyGrit, PowerBlast, and Galaxy Garnet. The raw materials for the production of these abrasives are sourced primarily from North American suppliers, with additional sourcing from suppliers located in China, India and Europe.

The Company’s industrial mineral products include chromites and zircons, clays, coated sands, lime and magnesium blends and other industrial mineral blends sourced from South Africa, China and North America, which are then processed at the Company’s facilities for sale primarily to the foundry and steel industries.

The Company also generates revenues from the sale of specialty sands and related products and technical services other than silica-free abrasives and industrial minerals including silica sands (for non-abrasive purposes) which are sourced, processed and packaged from the Company’s quarries located in Saint Bruno de Guigues, Québec. These products and services are sold principally to the consumer home improvement market, the bunker golf sand market and the municipal water filtration market. In addition, the Company recovers garnets from a waste-mining stream in Northern New York State, and imports garnets from China and India. The garnets are processed and packaged primarily for sale to the abrasive water jet cutting industries and water filtration industries. A portion of the used abrasives and foundry sands are recycled and then reprocessed for sale to the cement industry.

The specialty sands and other products and services category as detailed above are included in the Saint-Bruno-de-Guigues Quarry Operations financial reporting segment which reflects the business results of Témisca Inc. All remaining products are aggregated within the Manufacturing & Distribution Operations financial reporting segment.

Industry Overview

Silica-Free Abrasives

Abrasives are commonly used in a wide variety of industrial processes including the shaping and finishing of components made from various materials such as wood, glass, concrete, plastic, stone, iron, steel, super-alloys and non-ferrous metals, and more exotic products such as jewels, optical and electronic components.

Historically, abrasive materials were primarily derived from natural minerals such as emery, quartz sand and diamond. Today, however, the abrasives industry is almost entirely dependent upon synthetic materials, which are far more consistent in composition and cost-effective than their natural predecessors. Synthetic materials are generally more cost-effective as they tend to be by-products or waste streams of the processes that produce them such as power generation and metal smelting. While natural minerals are still prevalent, they tend to be used for highly specialized applications such as polishing and fine finishing due to their higher cost.

The three primary types of production abrasives are coated, bonded and loose abrasives. Coated abrasives have a paper, cloth or other similar backing. Bonded abrasives include grinding wheels and sticks. Loose abrasives are used for blasting and tumble for, among other things, the removal of paint and rust and the preparation of new surfaces. Each type of abrasive product caters to different requirements in terms of the surface finish specifications, the shape and size of the component, its physical properties (such as hardness, strength and temperature limits) and the detailed requirements of the specific grinding or finishing process. The characteristics of the abrasive material (for example, size, shape, strength, density and hardness) are critical to its specific use, as are the properties of the matrix material (for example, resin, vitreous or metal) and degree of porosity.

Opta Minerals participates within the loose abrasives market, producing abrasives for use with blasting equipment and related processes. The Company does not currently participate directly in the coated or bonded abrasives market.

Applications for loose abrasives range from surface cleaning and peening, to the restoration and surface preparation of materials for protective coatings. For example, all ships and offshore drilling rigs operating in salt-water environments require blast cleaning and repainting every three to five years, and more frequently in higher saline waters such as in the Middle East. It normally takes over two years of continual work to overhaul, clean and paint a large vessel such as an aircraft carrier, using up to $1.0 million in loose abrasives. A second major market for loose abrasives is the blast cleaning and repainting of bridges and overpasses. In addition to these two markets, there are hundreds of industrial applications where loose abrasives are used for surface preparation, surface cleaning and as a component of other finished products.

Abrasive blast cleaning encompasses a variety of methods that include the use of several types of media propelled by water or air. The abrasives media vary widely, from rice hulls and walnut shells to various slags, garnet and steel shot. Typical blast cleaning minerals include staurolite, olivine, specular hematite and garnet. Man-made media used for blast cleaning include plastic, coated minerals, recycled glass, steel shot, coal slag, copper slag and nickel slag.

For over 50 years, silica had been the most commonly used abrasive for abrasive blast cleaning, thus the coining of the term sandblasting, as it is economical and easy to use. However, because of its properties, silica produces dust particles that may lead to silicosis if inhaled. Acute silicosis lung inflammation is caused by intense short-term exposure to silica dusts, whereas chronic silicosis is slowly progressive lung scarring, nodules and inflammation resulting from long-term exposure. Silicosis occurs mainly in people who work in sandblasting, as well as in mining, quarrying, grinding and those who work in foundries.

Given the now widely recognized dangers associated with the use of silica as an abrasive, a number of companies that previously used predominantly or exclusively silica as an abrasive media have moved towards, or intend to move towards, safer but generally more expensive abrasive media such as those produced by Opta Minerals. Opta Minerals does not distribute silica for use as an abrasive media and over the past number of years has developed an expertise in silica-free abrasive products. Increased demand for safer alternatives to silica-based products is also being driven by the fact that over 20 U.S. States (including New York, California and Michigan) and a number of other jurisdictions internationally have restricted or banned silica for use as an abrasive media. A number of other U.S. and Canadian jurisdictions are presently considering similar measures. Management of the Company is of the view that this emerging trend towards silica-free abrasives will continue and that the Company is well-positioned to capture a significant share of the growing silica-free abrasives market.

Roofing Shingles Granules

The Company produces granules made from coal slag that are used to produce asphalt roofing shingles by manufacturers.

The U.S. residential market generates over 60% of total U.S. roofing product demand. Over 85% of the residential market is services by asphalt roofing shingles. The coal slag granules produced by the Company are used both in the production of black asphalt roofing shingles and on the back side of coloured asphalt roofing shingles. Although new residential housing construction does play a role in roofing shingles demand, past cycles of residential construction affect the size of the aftermarket for roofing products as the initial materials applied reach the end of their useful life. In 2003, re-roofing represented 69% of the total residential market therefore trends in the aftermarket component of the business are the major driver of residential roofing shingle demand. Based on the age characteristics of the existing house stock in the U.S., re-roofing is expected to climb to 73% of the total residential roofing market by 2008. These estimates do not include influxes in demand resulting from natural disasters such as hurricanes Katrina and Rita. Opta Minerals has a solid position in this market and as a result of its long term raw material supply agreements and its relationships with several of North Americas largest roofing shingle manufacturers.

Notes:

(1) Substantially all of the market information provided above was obtained from the Freedonia Group, a leading international study/database company. The remaining elements were obtained from 1997 US Census reports on-line.

Other Industrial Minerals

Industrial minerals are broadly defined as all those minerals taken out of the earth's crust except for fuels, metallic ores, water and gemstones. Industrial minerals are a diverse group of natural and further processed natural materials with varying physical and chemical properties. Even though they do not have the high profile of the quarrying and mining industries, industrial minerals represent one of the most important areas of material processing.

Uses for industrial minerals are varied depending upon their specific physical and chemical composition and the market for each mineral. Industrial minerals are found in a wide diversity of industrial and consumer products and play a key role in many complex and sophisticated manufacturing applications worldwide. Primary uses of industrial minerals include the following:

- Construction and Restoration — Building materials such as sands, gravels and clays are produced for foundation construction of both roads and buildings. They are also used as brick making materials and are included in the make-up of cement. Certain industrial minerals can be used as loose and bonded abrasives for cleaning, preparation and coating applications of both metal and non-metal surfaces.

- Metallurgical Processing and Chemicals — Industrial minerals are used in a large range of applications for steel and foundry products based on their specific chemical and physical properties. Bentonites are used for binders in foundry moulding sands. Refractory minerals such as chromite and zircon are used to produce cores for high temperature metal casting. They are also used for raw material feedstock and alloying agents. Dry lubricants, cleansers, sealants and adhesives are all products that are produced from various industrial minerals. Also blends of lime and magnesium are used to remove sulphurs from molten iron in the production of steel.

- Fillers, Extenders and Pigments — Papers, plastics and paints all consist of various functional fillers that contribute certain characteristics to the end use products. Industrial minerals are consumed in the manufacturing of these products to reduce the cost and to contribute various properties such as colour, texture or viscosity.

- Glass and Ceramics — The glass and ceramic industries consume large quantities of silica, clays and specialty minerals in the manufacturing of specialized end use products. They are commonly found in the manufacture of aerospace parts, optical glass and electronics.

- Environmental and Water Treatment Filtration — Various types of clays are used in environmental applications as an absorbent and seal to prevent leaching from landfill and reprocessing sites. Waste and effluent water treatment are handled with the use of industrial minerals, which either contribute to a chemical reaction to purify the water or serve as a filtering media to remove unwanted particles.

Products and Services

Opta Minerals offers one of the broadest silica-free abrasive and industrial minerals product lines in the industry, and supports these products with exceptional service and a high level of technical capability. As a result of a growth strategy that expanded geographic coverage, Opta Minerals is able to offer on-time delivery and integration with customer operations. The recycling of mineral by-products complements the Company’s distribution of abrasives and other industrial minerals, providing sustainable life cycle management for the Company’s suppliers and customers.

Opta Minerals offers a broad product line. The Company sells in excess of 1,800 different products encompassing approximately 3,000 SKUs (stock keeping units). Many of the Company’s abrasive products are approved under the U.S. Military Qualified Products List (QPL), the Occupational Safety and Health Association (OSHA) and the California Air Resources Board (CARB) and certain of the Company’s water filtration products are approved by the National Sanitation Foundation (NSF).

The Company has also become very efficient at blending and processing a number of raw materials together, in order to create customized products for individual customers based on their unique needs or as the conditions of specific job requirements change. This blending and customization expertise allows the Company to economically provide its customers with a unique product that increases efficiency for customers, while at the same time improving margins for the Company. This expertise differentiates the Company from most of its competitors, as very few are able to offer this service.

The Company’s principal product lines include the following: (i) silica-free abrasives; (ii) other industrial minerals; and (iii) specialty sands and other products and services. Each of the Company’s principal product lines is described in greater detail below.

Silica-Free Abrasives

The Company’s abrasive products are primarily sold into the shipbuilding, ship repair and bridge cleaning markets, as well as for many other industrial applications. Significant silica-free abrasive products produced by the Company include:

- *Barshot/Crystalgrit:* These abrasives have been developed specifically for abrasive blasting and are produced from the natural mineral specular hematite. These abrasive grains consist of inert and non-toxic particles and offer maximum blast rates with minimum dust levels, as well as additional technical benefits. Unlike metallic abrasives, the Barshot/Crystalgrit particles do not rust when exposed to moist or humid operating conditions and unlike conventional slag and mineral type abrasives, Barshot/Crystalgrit has a vastly superior durability, permitting three to five reuse cycles in certain applications. This abrasive is commonly used for ship restoration and in confined spaces where dust control is imperative.

- *BlackBlast:* BlackBlast is a blast cleaning abrasive made from coal slag from coal fired power plants. This abrasive is generally considered to be the safest of the non-recyclable industrial blasting media and is most commonly used for blasting coated or uncoated metal or concrete surfaces. BlackBlast is commonly used as a blast media on painted steel bridges and for ship restoration projects and for the production of roofing shingles.

- *EconoBlast:* Working together with one of the world’s largest aluminium manufacturers, Opta Minerals takes aluminium smelter spent furnace bottoms in the form of a glass cullet that would otherwise be placed into a landfill, and converts the spent material into a usable blasting abrasive. EconoBlast is an economical and safe silica-free abrasive with similar efficiencies to BlackBlast. This abrasive is commonly used for restoring stainless steel surfaces and automotive parts.

- *EbonyGrit:* This abrasive is produced from metallurgical slags and provides fast blast cleaning rates. Three grades are available to suit most common blasting operations. The hardness and high density of EbonyGrit gives it a high resistance to fracture with low dust formation during blasting as well as faster blast production rates when compared to local slag abrasives. This abrasive is commonly used for restoration of heavily painted steel bridges, ships and water towers.

- *PowerBlast:* This abrasive media is produced from nickel slag and is available in a variety of sizes to meet various blast cleaning requirements. The product is extremely sharp and hard and provides efficient blasting properties for the cleaning of many different types of applications.

- *Garnet:* The Company exclusively sources a pure, natural, almandine garnet from a hard rock deposit in China and markets it under the brand name Galaxy Garnet. The properties of Galaxy Garnet make it a unique performing garnet abrasive in blast cleaning and water jet cutting applications. The Company also sources garnet from its own Keeseville, New York operations.

- *Other Abrasives:* In addition to the products mentioned above, the Company imports low-cost abrasives from China and Europe including aluminium oxide, glass beads, steel grit and shot and plastic beads. The Company also domestically sources crushed glass, walnut-shells and corn cobs and has the ability to customize manufactured abrasive blends based on customer needs.

Roofing Shingle Granules

The Company produces granules for asphalt roofing shingles. This coal based product is used primarily in the production of black roofing shingles and on the back of coloured roofing shingles.

Other Industrial Minerals

The Company sells other industrial mineral products primarily to the foundry and steel industries. Significant industrial minerals products produced by the Company include:

- *Chromites and Zircons:* As the North American representative for a leading supplier of chromite and zircon ore sands from South Africa, Opta Minerals offers a superior quality chromite and zircon sand, in both bulk and packaged form, to the steel, foundry and refractory industries. With duplicate quality control measures at all stages of the supply process, the Company ensures this highly specialized product is within customer specifications and the Company’s large volume raw material purchases ensure a cost effective pricing schedule as well. The Company produces and processes between 12,000 and 15,000 tons of these materials annually.

- *Clays:* The largest sources of revenue for the Company among the clays are the southern and western bentonites, which the Company supplies to the foundry industry, primarily for green sand moulding, and to the brick industry. In addition to the bentonites, the Company also provides refractory clays to the foundry industry for ladle and furnace-wall repair. In 2004, the Company began importing specialty clays mined in the United States for resale into the absorbent industry.

- *Coated Sands:* The Company supplies a range of resin coated foundry sands. Coated sands are available in a complete range of resin contents on silica or zircon sands. The Company works closely with its customers to determine their needs and provide specialized blends to address specific problems. The Company can produce several silica grain fineness values by incorporating additives such as clay, iron oxide, etc.

- *Foundry Pre-mixes:* The Company sells custom blended pre-mixes to the foundry industry. These pre-mixes are primarily resale products, though there is some in-house production as well. Foundry pre-mixes generally require high levels of specialization to meet specific customer needs.

- *Desulphurization product:* The Company sells custom blended lime and magnesium as an iron desulphurization product to integrated steel mills. These products are developed in house and manufactured at our Walkerton, Indiana facility and may be customized to satisfy specific customer needs.

- *Others:* The Company also provides a very diverse range of its manufactured industrial mineral blends to a broad range of industries for highly-specialized applications.

Specialty Sands and Other Products and Services

The Company also generates revenues from the sale of specialty sands and other products and technical services. The Company's specialty sands include silica products which are sourced, processed and packaged from the Company's quarries located in Saint-Bruno-de-Guigues, Québec. The silica sands produced by the Company are not sold for use as an abrasive material. Significant specialty sands and other products and services of the Company include:

- *Filtration and Industrial Sands:* The Company produces filtration media for pools and municipal and industrial filtration systems. It also supplies specialty silica sands used as an additive to exterior finishing, where it strengthens the application and maintains the finished coating. Epoxies and grouts are common products that require high quality silica sand.

- *Golf Bunker Sand:* Opta Minerals supplies the golf bunker sand market with a high quality product that meets the USGA recommendations for size, colour and drainage capabilities. Approximately one hundred golf courses have filled their bunkers with Opta Minerals' sand.

- *Coloured sands:* Opta Minerals produces high quality coloured sands for children's sand boxes, general landscaping purposes and other applications.

- *Silica:* Opta Minerals provides high purity and quality sands for specialized applications, including filtration sands, construction sands and cementitious sands. These materials are not permitted by the Company to be sold for loose abrasive applications.

- *Recycling:* By reducing the waste generated from used and spent abrasives, Opta Minerals increases the potential for the sustainable recycling of these materials. In addition to the financial advantages offered by recycling spent abrasives, recycling represents an environmentally responsible approach to product life cycle management. Product life cycle management through recycling provides economic value to the Company and positive responses from employees, customers, the media,, the public, and government agencies. The Company's recycling services include the removal of coarse pollutants, paint chips and dust from the abrasive.

- *Sand Blasting and Foundry Equipment:* Opta Minerals serves as a reseller of a full-line of sand-blasting and foundry equipment.

- *Technical Services:* Opta Minerals offers a range of technical services to its customers to ensure they are operating as efficiently as possible. The Company provides testing of customer system sands and offers technical advice based on its findings or uses this information to addresses production issues. The Company also works closely with its customers to determine their specific needs and to recommend appropriate products and customized blends that cater to each customer's specific requirements.

Sources of Revenues

The following table sets forth the revenues of the Company by category and by geography for the periods indicated. The products and services described under the heading "Specialty Sands and Other Products and Services" above are included under the Saint-Bruno-de-Guigues Quarry Operations financial reporting segment and all remaining products are aggregated under the Manufacturing and Distribution Operations financial reporting segment.

	Fiscal Years Ended Dec. 31,	
	2005	**2004**
Manufacturing & Distribution Operations	96%	95%
St. Bruno de Guigues Quarry Operations	4%	5%
Total revenue	100%	100%
U.S.	45%	40%

Canadian	54%	59%
International	1%	1%
Total revenue	100%	100%

Notes:

(1) The table above does not include results for Magtech which was acquired in February 2006. Magtech had revenues of approximately US $29 million in 2005, substantially all of which were U.S. based customers.

Sales and Marketing

Opta Minerals primarily sells its products and services through its own direct sales force of fifteen employees located at the Company's Waterdown, Lachine, Drummondville, Saint-Bruno-de-Guigues and Norfolk locations. The Company's direct sales team is supported by inside sales professionals located at most of its Canadian operations. In addition to direct sales, the Company also sells its products through a network of 39 agents and distributors located throughout North America.

The Company's marketing strategy (including product development, product sourcing, competitive analysis, pricing and promotional activity) is centrally coordinated through the Company's Waterdown, Ontario head office.

Research and Development

Opta Minerals maintains a strong focus on new product development. Approximately 20% of its revenues in 2005 were derived from products and services developed within the previous four years, reflecting its ongoing commitment to new product development. This commitment allows the Company to respond to industry trends and to continually offer improving products to its customers.

Opta Minerals develops its new products both in its laboratory and by working with local universities in the testing and development of these new products. The Company employs two full-time researchers devoted to product development. Product development is focused on producing unique products, which are blended and applied to specific identified customer needs.

Branding and Intellectual Property

The Company's products are sold under a variety of corporate names according to the type of product and the jurisdiction in which it is sold including: Opta Minerals; Virginia Materials, Inc.; International Materials & Supplies, Inc.; Témisca Inc.; Distribution A&L — 9017-0382 Québec Inc.; and Magnesium Technologies Corporation.

The Company markets certain of its abrasive products under the brand names Barshot (specular hematite), BlackBlast (coal slag), EconoBlast (glass cullet), EbonyGrit (copper slag), PowerBlast (nickel slag) and Galaxy Garnet (garnet). "Barshot" is a registered trade-mark of the Company and the Company is in the process of applying for trade-marks in respect of a number of its other abrasive product lines.

Opta Minerals has a license agreement with Crystalgrit, Inc., the patent holder of "Specular Hematite as an Impact Material" which gives the Company the non-exclusive right to produce and sell the patented material and to use the "Crystalgrit" trade-mark in North America.

Opta Minerals relies on a combination of trade-mark and trade secret laws, contractual provisions with customers, suppliers and consultants, employment agreements and other internal protocols to protect its proprietary rights in its products and services. The Company also recognizes that patent law may also offer some protection for current and future products and, therefore, intends to investigate and seek patent protection for its products where appropriate and available.

Competition

The industry is characterized by a number of small, regionally-based niche companies with limited product lines tending to focus on geographically adjacent markets. The Company's competition varies by product line, customer classification and geographic market.

Opta Minerals conducts business throughout North America with a focus on key regions including the Québec-Detroit corridor, New York, Virginia, Georgia, Florida and the Louisiana Gulf region, all of which are areas of high volume ship repairs and bridge cleaning activities. The Company is competitive in abrasive and value-added products in other areas such as Michigan, New Jersey and Ohio. The Company also competes against a variety of competitors servicing the foundry, steel, abrasive, water jet, and filtration industries. Each of these product categories is normally served by as many as three competitors. The Company competes through a combination of exceptional product quality and customer service combined with competitive pricing in these markets.

Environmental & Regulatory Matters

The Company's business primarily involves the handling of inorganic and mineral based materials. These types of materials are generally benign and do not give rise to environmental issues. Accordingly, to date there has been low potential for environmental liabilities to arise. Almost all of the Company's environmental regulation is standard to the industry with the exception of certain permits required in Ontario and Virginia to recycle various types of solid waste. The Ontario Ministry of Environment has the right to inspect the Waterdown, Ontario site and review the results of third party monitoring and perform its own testing. Similar rights of inspection exist at the facility in Norfolk, Virginia. At both locations, the Company is subject to monthly reporting and periodic audits as well as having a financial bond in place with the respective governments should there be a contamination.

Since the formation of the business in 1995, the Company has been in material compliance with all applicable environmental legislation and has not been subject to any actions by regulatory authorities. Based on known existing conditions, all of the Company's facilities are currently in material compliance with all environmental permitting requirements of the local authorities and are reviewed on an annual basis. These permits generally cover air and ground water at those facilities where applicable. Absent any currently unforeseen changes to applicable legislation, the Company anticipates that future costs relating to environmental compliance will not have a material adverse effect on its financial position.

Employees

The Company has been successful in identifying, attracting and retaining talented employees with relevant technical and industry expertise. In particular, the Company has assembled an experienced management team with a diverse and complementary set of skills and experience, both within and from outside of the industry. See “Directors and Officers”. The Company believes that its employees and senior management team provide key competitive advantages which are critical to its reputation in the industry and its ability to achieve its growth strategy and business objectives.

As of December 31, 2005 the Company had 108 employees including 15 employees in sales and marketing, 11 in corporate administration and finance, 8 in customer service, 7 in engineering and plant management, 4 in research and development and quality control, 3 in purchasing and the remainder in production. This also includes 10 seasonal employees for work related to the Company’s quarry operations in Saint-Bruno-de-Guigues, Québec.

The Company is a party to a collective agreement with the Teamsters Local Union No. 879 covering 10 employees in Waterdown, Ontario. The current three-year agreement which was successfully negotiated during 2005 expires in June 2008. Management of the Company considers relations with the union to be excellent. The Company has never experienced a labour disruption or work stoppage.

Pursuant to the acquisition of Magtech on February 15, 2006, the Company acquired an additional 70 employees.

Facilities

The Company maintains operations at: Waterdown, Ontario; Saint-Bruno-de-Guigues, Québec; Drummondville, Québec; Lachine, Québec; New Orleans, Louisiana; Hardeeville, South Carolina; Norfolk, Virginia; Baltimore, Maryland; Keeseville, New York; Richfield, Ohio; and Walkerton, Indiana each of which is described in greater detail below. While certain of the Company’s facilities are presently operating at or near capacity, capacity is generally limited by a specific piece of equipment (for example, a dryer). Therefore, the Company’s production capacity at each facility can be expanded as needed with relatively modest capital investment, as the basic infrastructure is already present for expanded operations.

The Company has designed its facilities to be flexible, allowing for the handling of large bulk orders and for the blending and customization of products to meet an individual customer’s needs. The ability to customize products combined with its technical expertise and recycling service allows Opta Minerals to differentiate its products and services from the majority of its competitors.

Each of the Company's locations is identified and described in greater detail below:

Head Office:

Waterdown, ON	This approximately 13,000 square foot head office includes general management, sales, administration, lab facilities and production management. The head office also houses the centralized management information systems for the Company and its subsidiaries.

Canadian Facilities:

Waterdown, ON	This facility includes approximately 32 acres of owned land and 0.9 acres of leased land, and is the site of the Company's corporate head office and central production, which is capable of processing 300,000 tons of abrasives and other industrial minerals annually. With the private rail siding, 75,000 tons of storage capacity and the ability to ship up to 5,000 tons per day, the Waterdown facility can provide service to major abrasive and industrial mineral clients located predominantly in Ontario, Québec, Michigan and Western New York. The close proximity to Lake Ontario enables the receipt of bulk minerals from global sources. The site is covered by a Certificate of Approval issued by the Ontario Ministry of the Environment that permits the recycling of dried non-hazardous industrial wastes, which the Company processes, blends and sells into the cement and steel industries. At the site there is approximately 73,710 square foot of indoor manufacturing and warehousing space. This facility has ISO9001:2000 certification.
Brantford, ON	This leased facility is approximately 47,000 square foot and is used as a distribution centre for foundry products and specialty abrasives for the Ontario and New York markets.
Saint Bruno de Guigues, QC	This facility includes approximately 1,308 acres of owned land and 29 acres of leased property and produces high-grade large-grained sands. The site includes a quarry (covered by a licence issued by the Québec Ministry of Natural Resources) and

processing facilities for washing, scrubbing, sizing, drying and packaging. The resource is located at the surface and rehabilitation of the land is undertaken on an annual basis as required by the Québec Ministry of Natural Resources. In accordance with the Company's environmental philosophy, no chemicals are used during the processing of the raw materials. The Saint-Bruno-de-Guigues site is capable of processing 1,100 tons of specialty sands per day.

Lachine, QC	This approximately 22,000 square foot owned distribution and packaging facility with rail siding mainly packages and distributes industrial minerals for Eastern Canada markets.
Drummondville, QC	This approximately 12,000 square foot leased facility primarily distributes and packages abrasives for the Eastern Canada and North-eastern United States markets.

U.S. Facilities:

Keeseville, NY	This approximately 1,900 square foot leased production facility recovers, processes and packages garnets from a waste mining stream for sale into the abrasives and water filtration markets. The Company has a contract with Nyco Minerals Inc. (a division of Fording Inc.) to purchase its raw material directly from current production.
Baltimore, MD	This facility sits on approximately 6.4 acres of leased property and receives coal slag under a long-term contract with Constellation Energy which owns and operates a coal-fired generating station located in Baltimore, Maryland. The high quality raw material, purchased under a ten year supply contract (expiring in 2013), is processed into a silica-free abrasive product that is sold to the marine, bridge cleaning and general abrasives industries, as well as granules for roofing shingle manufacturers. This new production facility began operations in October 2004, and commercial production in May 2005.
Norfolk, VA	This approximately seven acre leased facility is used for raw materials storage and the processing, packaging and warehousing of abrasive products. It is primarily focused on the ship-building and repair markets and is located near Newport News Shipyard,

	the largest privately-owned shipyard in the United States, and the U.S. Naval shipyards. This operation has developed a system of distribution for abrasives employing approximately 800 metal bins, each capable of holding approximately two tons of abrasives, which are recycled between the Company's plant and the customers' operations. The plant operates 24 hours a day, 7 days a week to provide on-time service. This facility ships products by truck or via its own rail siding. In addition, this facility maintains a recycling certificate from the Commonwealth of Virginia, Department of Environmental Quality permitting the processing and recycling of non- hazardous spent abrasives and industrial minerals.
Hardeeville, SC	This facility includes approximately 2.9 acres of owned land and 1.5 acres of leased land and receives coal slag under a supply contract with Constellation Energy (described above) and from another supplier located in Western New York. These high quality raw materials are processed into silica-free abrasive products that are sold to the marine, bridge cleaning and general abrasives industries. This new production facility began operations in May 2004.
New Orleans, LA	This warehouse and production facility is located on five acres of land leased from the New Orleans Port Authority. It receives specular hematite produced by Québec Cartier Mines located in Northern Québec and processes and packages this material into a silica-free abrasive. This facility also imports specialty abrasives from around the world for resale to different specialty abrasive markets.
Attica, NY	This facility sits on approximately 20,000 square foot of leased property and receives coal slag under a long-term contract with a coal-fired generating station located in Rochester, New York. The high quality raw material, purchased under a ten year supply contract (expiring in 2015), is processed into granules used by roofing shingle manufacturers and a silica-free abrasive product that is sold to bridge cleaning and general abrasives industries. This new production facility began commercial operations late in 2005.
Richfield, OH	This approximately 6,115 square foot leased office

	accommodates the general management, sales, and administration functions of Magtech.
Walkerton, IN	This facility includes approximately 39 acres of owned land with a private rail siding, 3,745 tons of storage capacity and the ability to ship up to 200 tons per day of desulphurization product. The site is covered by a Permit of Approval issued by the Indiana Department of Environmental Management Air Pollution Control. At the site there is approximately 28,430 square foot of indoor manufacturing and warehousing space.

Risk Factors

Maintaining Current Growth

Continued growth in operations is dependent upon the Company's ability to increase capacity through internal capital projects, new facilities or strategic acquisitions. The Company's ability to raise capital required to support growth projects, through equity and/or debt financing, is directly related to its ability to continue to grow and improve returns from operations. If the Company is unable to raise additional funds when needed, its ability to execute its growth strategy could be impaired. The Company does not currently know whether it will be able to secure additional funding or funding on terms acceptable to the Company. The Company's ability to obtain additional funding will be subject to a number of factors, including market conditions, investor sentiment and the Company's operating performance. These factors may make the timing, amount and terms and conditions of additional funding unattractive to the Company. If the Company were to issue additional equity securities in connection with future acquisitions, existing shareholders may experience dilution or be subordinated to any rights, preferences or privileges granted to the new equity holders.

Highly Competitive Industry

The Company carries on business in highly competitive product and geographic markets in the United States, Canada and certain international markets. Certain competitors may have greater financial resources and staff and may be able to benefit from economies of scale, pricing advantages and greater resources to launch new products that compete with Opta Minerals' offerings. The Company has little control over and cannot otherwise affect these competitive factors. If the Company is unable to effectively respond to these competitive factors, or if the competition in any of the Company's product markets results in price reductions or decreased demand for products or business, the Company's results of operations and financial condition will be materially impacted.

Further, existing products or products under development by competitors could prove to be more effective or less costly than products sold by or that are developed by the Company. The loss of business to one of these competitive products could materially affect the operations and related profitability of the Company.

Continued Operation of Manufacturing Facilities

The Company operates from eight production and three distribution and packaging facilities (four owned, seven leased) located in the United States and Canada. An interruption in or the loss of operations, or the inability to renew the leases (where applicable), at one or more of these facilities, or the failure to maintain the labour force at one or more of these facilities, could delay or postpone production of the Company's products, which could have a materially adverse effect on the Company's business, results of operations and financial condition.

Retention of Management

The Company's future prospects depend to a significant extent upon the continued service of the Company's key executives, and continued growth depends on the Company's ability to identify, recruit and retain key management personnel. The competition for such employees is intense. The Company is also dependent on its ability to continue to attract, retain and motivate sourcing, production, distribution, sales, marketing and other personnel. The Company may not be able to attract, integrate or retain highly qualified technical and managerial personnel in the future.

Failure to Expand Marketing and Distribution Channels

The future growth of the Company's business will depend in part on its ability to expand its existing marketing and distribution channels, attract new customers and expand the size of its sales force, in Canada, the United States and internationally. If the Company is unable to expand its marketing and distribution channels, attract new customers or expand the size of its direct sales force, it may be unable to generate growth in revenue and grow its business.

Integration of Acquired Companies

A key component in the Company's growth strategy is to complete acquisitions or other business combinations. Acquisitions and business combinations involve inherent risks, including assumption of transaction costs, risk of non-completion, undisclosed liabilities, assimilation and successfully managing growth. While the Company conducts extensive due diligence and takes steps to ensure successful assimilation, factors beyond the Company's control could influence the results of acquisitions. In addition, the Company continually seeks acquisition candidates in selected markets and from time to time engages in exploratory discussions with suitable candidates. There can be no assurance, however, that the Company will be able to identify, acquire and integrate appropriate businesses or obtain financing for such acquisitions on satisfactory terms. There can also be no assurance that competition for acquisition candidates will not escalate, thereby increasing the costs of making acquisitions.

The Company's growth strategy inherently assumes that it will be able to identify suitable acquisition candidates on terms acceptable to the Company and that these acquisitions, if pursued and completed, will be integrated successfully. The ability to effectively integrate current and future acquisitions, including the ability to realize potentially available marketing opportunities and cost savings in a timely and efficient manner, will have a direct impact on the Company's future results. The Company may encounter problems in connection with the integration of any new businesses, such as:

- integration of an acquired business' distribution channels with those of the Company;
- integration of an acquired business' products into the Company's product mix;
- amount of cost savings that may be realized as the result of integration of an acquired business;
- unanticipated quality and production issues with acquired products;
- adverse effects on business relationships with suppliers and customers;
- diversion of management attention;
- difficulty with personnel and loss of key employees; and
- compatibility of financial control and information systems.

Raw Material Pricing and Availability

Raw materials represent a significant portion of the Company's cost of sales. The cost to purchase and deliver these materials from the Company's suppliers can fluctuate depending on many factors, including weather patterns, economic and political conditions and pricing volatility. In addition, the Company must compete with certain competitors who have substantially greater resources for limited supplies of these raw materials. If the cost of these materials increases due to any of the above factors, the Company may not be able to pass along the increased costs to its customers.

As is customary in the industry, the Company does not have long-term contracts with certain of its major suppliers. Although the Company believes that it has access to similar products from competing suppliers, any disruption in the Company's sources of supply, particularly of the most commonly used or exclusively sourced items, or any material fluctuation in the quality, quantity or cost of such supply, could have a material adverse effect upon the Company's results of operations and financial condition.

Supply Chain Management

The Company relies on third parties for many raw materials and for the manufacturing, processing and distribution of certain products for resale by the Company. The inability of any of these third parties to deliver or perform in a timely or cost-effective manner could cause operating costs to rise and margins to fall. The Company must continuously monitor inventory and product mix against forecasted demand or risk having inadequate supplies to meet consumer demand. Because the Company also integrates its operations with that of its customers to provide timely delivery and waste removal, proper management of supply chain is critical for the retention and acquisition of customers. If the Company is unable to manage its supply chain efficiently and ensure that products are available to meet consumer demand, the Company's operating costs could increase and margins could fall.

As the Company imports and exports goods between Canada and the United States and internationally (including China, India, Ukraine, and South Africa), changes in customs matters, trade policies or tax regulations may affect the Company's ability to import supplies and export goods at a reasonable cost thereby disrupting the Company's current supply and distribution channels.

Renewals of Supply and Customer Arrangements Are Not Guaranteed

The majority of the Company's supply and customer arrangements vary significantly in length. Most customer arrangements are for individual purchase orders and are satisfied upon delivery of the goods to the customer. Some arrangements involve customers purchasing goods several months in advance of delivery. These arrangements, known as bookings, vary in length but are generally less than six months long. There can be no assurance that these customers will renew their bookings or continue to place purchase orders with the Company.

Environmental Regulation and Policies

The Company is, and expects to continue to be, subject to substantial federal, state, provincial and local environmental regulation. There are specific regulations governing the recycling of solid waste material regulated by the Ontario Ministry of Environment and the Commonwealth of Virginia, Department of Environmental Quality. Some of the key regulations include:

- Air Quality — regulated by the Environmental Protection Agency (EPA) and certain city/state air pollution control groups which require that emission reports be filed annually; and

- Sewer — agreements with the local city sewer districts to treat waste as specified, which require weekly/monthly reporting as well as annual inspection.

The Company may be required to incur significant costs to comply with environmental laws and regulations in the future. In addition, changes to environmental regulations may require modification of existing plant and processing facilities and could significantly increase the cost of those operations.

The foregoing environmental regulations, as well as others common to the industries in which the Company participates, can present delays and costs that can adversely affect business development and growth. If the Company fails to comply with applicable laws and regulations, it may be subject to civil remedies, including fines, injunctions, recalls or seizures, as well as potential criminal sanctions, which could have a material adverse effect on the Company's business, results of operations and financial condition. In addition, any changes to current regulations may impact the development, manufacturing and marketing of the Company's products and may have a negative impact on future results.

New Regulations

The Company's business is currently subject to a number of laws and regulations. There are laws that regulate processing practices, transporting products, importing and exporting products and employment. Such laws, regulations and related rules and policies are administered by various federal, provincial, municipal, regional and local agencies and other governmental authorities. New laws governing the Company's business could be enacted or changes to existing laws could be implemented, each of which may have a significant impact on the Company's business. Failure of the Company to comply with applicable laws and regulations may subject the Company to civil or regulatory proceedings which may have a material adverse effect on the Company's financial condition and results of operations.

Product Liability Lawsuits

As a manufacturer and marketer of abrasive and industrial mineral products, the Company is subject to the risk of claims for product liability. Although the Company believes that it maintains adequate insurance coverage, it may from time to time be subject to claims for damages resulting from defects in products that it distributes.

Regardless of whether claims in respect of product defects have any merit, such claims could:

- result in product recalls;
- be time consuming to evaluate and defend;
- result in costly litigation;
- divert management's attention and resources; and
- subject the Company to potentially significant liabilities.

Successful or partially successful product liability claims could result in significant monetary liability and could seriously disrupt the Company's business, particularly if the Company's insurance coverage is inadequate or unavailable in respect of any such claims.

Furthermore, a highly publicized actual or perceived problem with products that the Company distributes could adversely affect the market's perception of its products which may result in a decline in demand for products distributed by the Company, thereby reducing the Company's revenues and operating results.

Cyclical Economic and Industry Conditions

The Company is vulnerable to general economic slowdowns and cyclical conditions in the industries it serves. Slowdowns in certain industries served by the Company, including the automotive, bridge cleaning, and ship cleaning industries may adversely impact the Company. Further, the activities of customers in certain industries that the Company serves, such as the bridge cleaning industry are limited in the winter season resulting in stronger sales in the summer periods. The Company's processing of cement additives and certain abrasives slows down during the January to March period, corresponding to reduced cement production and difficult winter operating conditions.

Credit Risk

The Company extends credit facilities to its customers that are generally unsecured. Although the Company has a system of credit management in place, there is a risk that some of the Company's customers may not be able to meet their obligations when they become due. The loss of a large receivable would have an adverse effect on the Company.

Exchange and Interest Rates

The Company is exposed to foreign exchange rate fluctuations as the financial results of its U.S. operations are translated into Canadian dollars on consolidation. For the financial year ended December 31, 2005, approximately 45% of the Company's revenues were derived from sales to customers in the United States using U.S. dollar currency. There are currency exchange risks on the conversion of the Company's U.S. dollar balances and currency translation gains and losses on the reporting of its U.S. dollar balance in Canadian dollars. As exchange rate fluctuations are beyond the Company's control, there can be no assurance that such fluctuations will not adversely affect its financial position and operating income. Fluctuations in the exchange rates between the Canadian dollar and other currencies, such as the U.S. dollar, may have a material adverse effect on the Corporation's results of operations and financial condition. The Corporation currently has no hedge in place on its foreign currency exposure.

In February 2006, the Company acquired all the outstanding shares of Magtech. The operation of Magtech, including sale, are conducted primarily in the United States in U.S. dollar currency.

Had Magtech been acquired at the beginning of 2005, total revenues from U.S. customers would have been approximately 70% of the Company's consolidated revenues. Further information concerning Magtech acquisition will be provided in the Business Acquisition Report to be filed by the Company on or before May 1, 2006, which will be available on SEDAR at www.sedar.com.

The Company is also exposed to interest rate risk as a large percentage of term debt is at variable rates.

Potential Fluctuations in Results of Operations and Share Price

Opta Minerals' net sales and operating results may vary significantly from period to period due to:

- changes in operating expenses;
- management's ability to execute business and growth strategies;
- personnel changes;
- demand for natural products;
- supply shortages;
- general economic conditions;
- volatility in commodity prices resulting from natural disasters or otherwise; and
- future acquisitions, particularly in periods immediately following the consummation of such acquisition transactions while the operations of the acquired businesses are being integrated into operations.

In addition, the Company's share price may be more volatile than other larger public companies. Announcements regarding:

- fluctuations in financial performance from period to period;
- mergers and acquisitions;
- strategic partnerships or arrangements;
- litigation and governmental inquiries;
- changes in governmental regulation and policy;
- patents or proprietary rights;
- changes in customer preferences and demand;
- new financings; and
- general market conditions,

may have a significant impact on share price. Higher volatility increases the chance of larger than normal price swings which reduces predictability in the value of the Company's securities and could impair investment decisions. In addition, price and volume trading volatility in the Canadian stock market can have a substantial effect on share price, frequently for reasons other than the Company's operating performance. These broad market fluctuations could adversely affect the market price of the Company's securities.

The Interests of the Controlling Shareholder

As of the date hereof, SunOpta beneficially owns approximately 70.6% of the issued and outstanding Common Shares. As a result, SunOpta has the power to exercise significant influence over all matters requiring shareholder approval, including the election of directors, amendments to the Company's articles of incorporation, amalgamations, mergers and plans of arrangements under Canadian law, or the sale of all or substantially all of the Company's assets. Furthermore, the Company could be prevented from entering into transactions that could be beneficial to the Company or other shareholders or third parties could be discouraged from making an offer or take-over bid to acquire the Company at a price per share that is above the then-current market price. In addition, if SunOpta sells substantial amounts of its Common Shares, the market price of the Common Shares could fall. The perception that such a sale will occur could also produce this effect.

Potential Dilution of Common Shares

The exercise of warrants or stock options, the issuance of Common Shares pursuant to the Company's Employee Stock Purchase Plan ("ESPP") and the issuance of other additional securities issued in the future could result in dilution in the value of the Common Shares and the voting power represented thereby. Furthermore, to the extent the holders of warrants, stock options or other securities exercise such securities and then sell the Common Shares they receive upon exercise, the Company's share price may decrease due to the additional amount of Common Shares available in the market. The subsequent sales of these shares could encourage short sales by shareholders and others, which could place further downward pressure on share price. Moreover, the holders of warrants, stock options or other securities may hedge their positions in the Company's Common Shares by short selling the Company's Common Shares, which could further adversely affect stock price.

No prediction can be made as to the effect, if any, that future issuance of stock options, sales of Common Shares (including pursuant to ESPP), or the availability of Common Shares for future sale, will have on the market price of the Common Shares prevailing from time to time. Sales of substantial amounts of Common Shares in the public market, or the perception that such sales could occur, may adversely affect the market price of the Common Shares and may make it more difficult for the Company to sell its equity securities in the future at a time and price which the Company deems appropriate.

DIVIDENDS

Opta Minerals did not declare any dividends during the financial year ended December 31, 2005.

Opta Minerals does not plan to pay any dividends on its Common Shares in the near future. The Board of Directors will determine if and when dividends should be declared and paid in the future based on all relevant circumstances, including the Company's results of operations, cash requirements and surplus, financial condition and contractual restrictions, the desirability of financing further growth of the Company and other factors that the Board of Directors may deem relevant at the relevant time. For the foreseeable future, it is anticipated that the Company will use earnings to finance its growth and that dividends will not be paid to its shareholders.

DESCRIPTION OF CAPITAL STRUCTURE

The Company's share capital consists of an unlimited number of Common Shares and an unlimited number of preference shares (the "Preferred Shares").

Common Shares

Each Common Share entitles its holder to receive notice of and to attend all general and special meetings of shareholders, other than meetings at which only the holders of a particular class or series are entitled to vote. Each Common Share entitles its holder to one vote. The holders of Common Shares are, at the discretion of the Board of Directors entitled to receive, out of any or all profits or surplus of the Company properly available for the payment of dividends (after the payment of any dividend payable on the Company's securities entitled to receive dividends in priority to the common shares), any dividends declared by the Board of Directors and payable by the Company on the Common Shares. The holders of Common Shares are entitled to share rateably in any distribution of the assets of the Company upon the liquidation, dissolution or winding-up or other distribution of the Company's assets among the Company's shareholders for the purpose of winding-up.

Preference Shares

The Preference Shares are issuable in series. Subject to the Company's articles, the Board of Directors is authorized to fix, before issuance, the designation, rights, privileges, restrictions and conditions attaching to each series. The Preference Shares, when issued, will rank prior to the Common Shares with respect to dividends and return of capital on dissolution. Except with respect to matters as to which the holders of Preference Shares are entitled by law to vote as a class, the holders of Preference Shares are not entitled to vote at meetings of shareholders. No Preference Shares are currently outstanding.

MARKET FOR SECURITIES OF THE COMPANY

The Common Shares of the Company are listed and posted for trading on the TSX under the symbol "OPM" and Warrants of the Company issued pursuant to the IPO are listed and posted for trading on the TSX under the symbol "OPM.WT"

Common Share Trading Price and Volume

The following table sets forth information relating to the trading of the Common Shares on the TSX for the periods indicated:

Period	High (Cdn$)	Low (Cdn$)	Volume
February 17-28, 2005	4.40	3.90	49,538
March 2005	4.15	3.55	19,120
April 2005	3.80	3.45	5,546
May 2005	3.70	3.15	4,520
June 2005	3.67	3.30	6,253
July 2005	3.60	3.00	7,524
August 2005	3.80	3.00	10,214
September 2005	3.66	3.05	6,646
October 2005	3.30	2.90	1,2401
November 2005	3.05	2.65	14,7220
December 2005	3.24	2.65	1,7648

On March 30, 2006, the last day on which the Common Shares traded on the TSX prior to the date hereof, the closing price of the Common Shares was Cdn$3.40.

Warrant Trading Price and Volume

The following table sets forth information relating to the trading of the Warrants on the TSX for the period indicated:

Period	High (Cdn$)	Low (Cdn$)	Volume
February 17-28, 2005	0.50	0.36	11,463
March 2005	0.40	0.33	2,170
April 2005	0.33	0.33	533
May 2005	0.40	0.30	12,370
June 2005	0.34	0.34	17,638
July 2005	0.30	0.30	563
August 2005	0.30	0.20	1,975
September 2005	0.28	0.23	5,970
October 2005	0.23	0.18	25,583
November 2005	0.18	0.16	2,000
December 2005	0.20	0.10	26,710

On March 30, 2006, the last day on which the Warrants traded on the TSX prior to the date hereof, the closing price of the Warrants was Cdn$0.24.

DIRECTORS AND OFFICERS

The following table sets out, for each of the current directors and executive officers of the Company, the person's name, municipality of residence, positions with the Company, principal occupation and, if a director, the month and year in which the person became a director. The directors of the Company are elected annually and, unless re-elected, retire from office at the end of the next annual general meeting of shareholders of the Company.

Name and Municipality of Residence	Position(s) with Opta Minerals	Principal Occupation	Director Since
JEREMY KENDALL[2] Belfountain, Ontario	Chairman and Director	Chairman and Chief Executive Officer, SunOpta Inc.	July, 2004
DAVID KRUSE Burlington, Ontario	Chief Executive Officer, President and Director	President and Chief Executive Officer, Opta Minerals	July, 2004
JAMES WILSON Mississauga, Ontario	Chief Financial Officer and Secretary	Chief Financial Officer and Secretary, Opta Minerals	N/A
JACQUES DECARIE Oakville, Ontario	Vice President, Sales and Marketing	Vice President, Sales and Marketing, Opta Minerals	N/A
DAVID RUMBLE Brantford, Ontario	Vice President, Operations	Vice President, Operations, Opta Minerals	N/A
STEVEN BROMLEY Aurora, Ontario	Director	President and Chief Operating Officer, SunOpta Inc.	July, 2004
VICTOR HEPBURN[1][2] Toronto, Ontario	Director	Consultant	November, 2004
DONALD LOEB[2][4] Toronto, Ontario	Director	Co-founder and Chairman of Avanti Properties Group	November, 2004
JOSEPH RIZ[1][3] Toronto, Ontario	Director	Managing Director of Tricapital Management Ltd.	November, 2004
ANTONIO TAVARES[1] Mississauga, Ontario	Director	Chief Executive Officer of Maple Lodge Farms Ltd.	November, 2004

Notes:

(1) Member of the Audit Committee.

(2) Member of Corporate Governance Committee.

(3) Chairperson of Audit Committee

(4) Chairperson of Corporate Governance Committee

To the knowledge of the Company as at the date hereof, the directors and officers of the Company collectively, owned, directly or indirectly, or exercised control or direction over, an aggregate of 110,384 or 0.65% of the issued and outstanding Common Shares.

Biographies

Set forth below is a description of the background of the current and proposed directors and officers of the Company, including a description of each individual's principal occupation within the past five years.

Jeremy Kendall — Chairman and Director. Mr. Kendall has served as a Director of SunOpta since September 1978. In June 1983, he was appointed as Chairman and Chief Executive Officer of SunOpta. He is also currently the Chairman of Jemtec Inc. (since June 1991), a distributor of electronic home incarceration equipment listed on the TSX Venture Exchange (the “TSXV”), and Easton Minerals Ltd. (since January 1995), a mineral exploration company listed on the TSXV. In the past five years, Mr. Kendall has also served on the board of Wisper Inc. (June 1995 to March 2002), a provider of wireless electronic equipment and services listed on the TSXV. Mr. Kendall is also a director of a number of private and charitable organizations.

David Kruse — President, CEO and Director. Mr. Kruse joined the Company in November 1997 as Financial Manager. After implementing expanded reporting systems and reorganizing the financial group of the Company, he was appointed General Manager in February 2000. In March 2000, following the acquisition of George F. Pettinos (Canada) Limited, he was appointed Executive Vice President and Chief Operating Officer of the Company and in December 2002, he was promoted to his current position as President and Chief Executive Officer. Prior to joining the Company, Mr. Kruse spent approximately six and a half years working in a wide range of financial and operational roles with Domtar Inc., Bridgestone/Firestone Canada Ltd. and Tupperware Canada Ltd.

James Wilson — Chief Financial Officer and Secretary. Mr. Wilson was appointed as Chief Financial Officer of the Company in October 2004. From April to October 2004, Mr. Wilson was a Finance Manager at Certicom Corporation (“Certicom”), a software and intellectual property licensing company listed on the TSX. While at Certicom, Mr. Wilson was responsible for the implementation of the Company’s Corporate Governance Program, assisting the Chief Financial Officer with the preparation of regulatory filings and assisting in preparing investor analyst requirements and presentations, as well as assuming responsibility for the Company’s tax planning and compliance requirements. From 1997 to April 2004, Mr. Wilson was employed in various positions with PricewaterhouseCoopers LLP (“PwC”), most recently as an Assurance Manager. Mr. Wilson’s client portfolio while at PwC included a wide range of public and private companies including several heavy industrial manufacturers.

David Rumble — Vice President, Operations. Mr. Rumble joined the Company in March 2000 following the Company’s acquisition of George F. Pettinos (Canada) Limited (“PECAL”), where he served as Plant Manager. In January 2004, Mr. Rumble was promoted to his current position of Vice President, Operations, a role which gives him responsibility for all of the Company’s production facilities. Prior to joining the Company, Mr. Rumble was employed in various positions with PECAL since October 1990. Mr. Rumble has a diploma in Metallurgy and Materials Engineering Technology from Mohawk College in Hamilton, Ontario.

Steven Bromley — Director. Mr. Bromley has been employed by SunOpta since June 2001 and was appointed President and Chief Operating Officer of SunOpta in December 2004. Prior to this appointment, Mr. Bromley held various other positions with SunOpta including Executive Vice President, Chief Financial Officer and Vice President, Finance. Prior to joining SunOpta, Mr. Bromley was VP, Finance at Bridge2Market Inc. from July 2000 to May 2001. Prior to this, Mr. Bromley spent over 13 years in the Canadian dairy industry in a wide range of financial and operational roles with both Natrel Inc. and Ault Foods Limited. From 1997 to 1999, he served on the Board of Directors of Natrel Inc.

Donald Loeb — Director. Mr. Loeb is the Co-founder and Chairman of Avanti Properties Group, a private real estate investment firm founded over 25 years ago with a primary focus on land investment, development and finance in a number of major metropolitan markets located in the Southeastern and Western United States. Mr. Loeb currently serves as director of a number of companies including Brunico Communications Inc., a publisher of trade journals, and four offshore hedge funds, Halcyon Event-Driven Strategies Fund, (listed on the Irish stock exchange) Halcyon Offshore Enhanced Fund, Halcyon Offshore Structured Opportunities Offshore Fund Ltd., and Halcyon European Opportunities Offshore Fund Ltd. He is a member of the Board of Directors of the Humber Regional Hospital and a member of the Dean's Advisory Council of the Schulich School of Business at York University, as well as being involved with other charitable and community service activities.

Victor Hepburn — Director. Mr. Hepburn is currently self-employed as a consultant and is a director of Walker Industries Holdings Inc., an aggregate and waste management company. Mr. Hepburn was the President and CEO of Hanson Brick America in 1999 and 2000, an international building materials company that is one of the largest ready mix concrete and brick manufactures in North America. Prior to its acquisition by Hanson Brick America, from 1977 to 1999 Mr. Hepburn was employed in various capacities with Jannock Limited, a public company listed on the TSX, including President and Chief Executive Officer, Brick Operations from 1985 to 1999. Mr. Hepburn also serves as the Vice-Chairman and a Director of the Brick Association of America.

Antonio Tavares — Director. Mr. Tavares has been the Chief Executive Officer of Maple Lodge Farms Ltd., one of Canada's largest independently owned poultry processors, since 1999. Prior to that, Mr. Tavares held various other positions within the business groups of Maple Leaf Foods, including Vice-President of Canada Bread Company and President of Maple Leaf Poultry.

Joseph Riz — Director. Mr. Riz has been the Managing Director of Tricapital Management Ltd., a merchant banking and financial advisory firm, since 1985. He has been a director of SunOpta since July 1986 and currently serves as the Chairman of SunOpta's Audit Committee and is a member of SunOpta's Corporate Governance Committee. Since 1989, Mr. Riz has also served on the Board of Directors of Telepanel Systems Inc., a manufacturer of electronic pricing equipment for retail stores. Mr. Riz is also a director of a number of private organizations.

Cease Trade Orders, Bankruptcies and Penalties and Sanctions

No director, officer or control person of Opta Minerals is, or within the ten years prior to the date of this AIF has been, a director or officer of any issuer that, while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than 30 consecutive days or was declared a bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold the assets of that person.

No director, officer or control person of Opta Minerals has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body which would be important to a reasonable investor making an investment decision.

No director, officer or control person of Opta Minerals (or a personal holding company of any such person) is, or within the ten years prior to the date of this prospectus has become, bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets.

PROMOTERS

SunOpta may be considered to be a promoter of the Company by virtue of its initiative in organizing the business and affairs of the Company.

Immediately prior to the completion of the IPO, the Company had outstanding amounts owing to SunOpta and certain affiliates of SunOpta of approximately $15,704,000. These debts were incurred as intercompany loans while the Company operated as an independent division of SunOpta prior to the Reorganization. On completion of the IPO, the Company repaid $5,500,000 of the amount owed to SunOpta or such affiliates using part of the proceeds of the IPO. The remaining amount was repaid on September 30, 2005. Subsequent to the IPO, SunOpta has continued to provide certain services, including certain administrative services, to the Company and charges only for direct costs and fees related to specific services provided to the Company at fair market value.

As of the date hereof, SunOpta owns approximately 70.6% of the issued and outstanding Common Shares of the Company.

LEGAL PROCEEDINGS

Except as described below, the Company is not aware of any litigation outstanding, threatened or pending as of the date hereof that would be material to the Company's financial condition or results of operations.

In June 2004, Virginia Materials Inc., a U.S. subsidiary of the Company, and six other companies were named as defendants in a lawsuit in New Jersey initiated by a single plaintiff. The plaintiff claims that he contracted silicosis as a result of the use of silica-based materials sold by the defendants to the plaintiff's employer. The quantum of damages sought by the plaintiff is not specified in the statement of claim. At the time of the alleged incidents giving rise to the claim, Virginia Materials Inc. did not exist. Virginia Materials was incorporated in September 2001 for the purpose of acquiring certain assets of an unrelated third party. To the knowledge of the Company, Virginia Materials has never distributed silica-based materials to the plaintiff's employer. As such, management of the Company believes the claim against Virginia Materials is without merit.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described below and elsewhere in this annual information form, since February 17, 2005, no director or officer or holder of 10% of the outstanding voting securities of the Company, with respect to certain administrative services provided to the Company by SunOpta (at fair market value), nor any associate or affiliate of any of the foregoing, has had any material interest directly or indirectly in a transaction that has materially affected or will materially affect the Company.

SunOpta, which holds approximately 70.6% of the outstanding common shares of the corporation, provides certain administrative services to the Company and charge for such services at fair market value. Jeremy Kendall, the chairman, of the Company, is the Chairman and Chief Executive Officer of SunOpta, and Steven Bromley, a director of the Company, is the Chief operating officer of SunOpta.

TRANSFER AGENT AND REGISTRAR

The registrar and transfer agent for the Common Shares is Equity Transfer Services Inc. at its principal office in Toronto, Ontario, Canada.

MATERIAL CONTRACTS

The following are the only material contracts, other than contracts in the ordinary course of business, which have been entered into by the Company during the financial year ended December 31, 2005:

1. The Underwriting Agreement dated February 7, 2005 between the Company and the Underwriters.

2. Purchase Agreement dated February 7, 2005 between SunOpta and the Company.

3. Warrant Indenture Agreement dated February 17, 2005 between the Company and Equity Transfer Services Inc.

The above referenced material contracts are available for review on SEDAR at www.sedar.com.

INTEREST OF EXPERTS

The auditors of the Company are PricewaterhouseCoopers LLP, Chartered Accountants, Hamilton, Ontario. As at the date hereof, partners and associates of PricewaterhouseCoopers LLP that are directly involved in services provided to the Company do not own any of the outstanding Common Shares. No partner or associate of PricewaterhouseCoopers LLP is or is expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

ADDITIONAL INFORMATION

Additional information about Opta Minerals can be found on SEDAR at www.sedar.com, including, directors' and officers' remuneration and indebtedness, principal holders of the securities and securities authorized for issuance under equity compensation plans will be contained in the management information circular of the Company to be prepared in connection with the Company's annual meeting of shareholders to be held on May 12, 2006 which will be available on SEDAR at www.sedar.com. Additional financial information is provided in the consolidated financial statements and management's discussion and analysis for the year ended December 31, 2005.

ADDITIONAL INFORMATION – 52-110 F1

Audit Committee Information

The Audit Committee assists the Board of Directors in fulfilling its responsibilities for oversight and supervision of financial and accounting matters. The committee supervises the adequacy of internal accounting controls and financial reporting practices and procedures and the quality and integrity of audited and unaudited financial statements, including through discussions with external auditors. The committee reviews business plans and operating and capital budgets. The committee is responsible for ensuring efficient and effective assessment of management of risk throughout the Company. The audit committee will comply with all requirements under applicable securities legislation and the rules of the TSX.

The Charter of the Audit Committee sets out its responsibilities duties and qualifications for membership procedures for committee member approval and appointment and reporting to the Board of Directors. A copy of the Charter of the Audit Committee is attached hereto as "Appendix A".

Composition

The Audit Committee is comprised of the three directors, all of whom are independent directors, namely, Joseph Riz (chairman), Victor Hepburn and Antonio Tavares. In addition to being independent directors as described above, all members of the Audit Committee meet the additional "independence" test under Multilateral Instrument 52-110 - *Audit Committees* ("MI 52-110") in that directors' fees are the only compensation they, or their firms receive from the Company and they are not affiliated with the Company. Each member of the Audit Committee is financially literate again within the meaning of MI 52-110.

The Audit Committee met 5 times during the financial year ended December 31, 2005.

Relevant Educational Experience

Set out below is a description of the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee.

> *Joseph Riz* acquired significant financial experience and exposure to accounting and financial issues in his capacities during his 20 years of experience in the financial services industry, including as Managing Director of Tricapital Management Ltd. Mr Riz is also an accredited Certified Management Accountant.
>
> *Victor Hepburn* acquired significant financial experience and exposure to accounting and financial issues in his capacities during his 28 years of experience in the brick and aggregate industries including as President and CEO of Hanson Brick America and CFO of Jannock Ltd., a public company listed on the TSX. Mr. Hepburn is an accredited Chartered Accountant.
>
> *Antonio Tavares* acquired significant financial experience and exposure to accounting and financial issues in his capacities as CEO of Maple Lodge Farms Inc and CEO/CFO of Tyson Canada Inc./Agrimont Inc. Mr. Tavares is an accredited Chartered Accountant and graduated with a Bachelor of Commerce degree (Suma Cum Laude) from McGill University in 1975.

Pre-Approval Policies and Procedures

The Audit Committee's charter includes responsibilities regarding the provision of non-audit services by the Company's external auditors. The policy encourages consideration on whether the provision of services other than audit services is compatible with maintaining the auditors independence and requires Audit Committee To review and pre-approve all audit and permitted non-audit services or mandates to be provided by the external auditors to the Company, including tax services and to determine which non-audit services the external auditor is prohibited from providing.

External Auditor Service Fees

Audit Fees

The aggregate audit and quarterly review fees billed by the Company's external auditors for the year ended December 31, 2005 was $153,000.

Audited-Related Fees

Audit related fees billed by the Company's auditors for the year ended December 31, 2005 was Nil (2004 - $230,000). The fees incurred in 2004 were in connection with procedures performed in respect to the Company's IPO and prospectus as filed on February 7, 2005.

Tax Fees

The tax fees billed by the company's external auditors for the year ended December 31, 2005 was $38,730 (2004-$6,850)

All Other Fees

There were no fees incurred during the year ended December 31, 2005.

APPENDIX "A": CHARTER OF THE AUDIT COMMITTEE

CHARTER OF THE AUDIT COMMITTEE

OPTA MINERALS INC.

(the "**Corporation**")

I. Purpose of the Committee

The purpose of the Corporation's Audit Committee (the "**Committee**") is to provide assistance to the Board of Directors in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions of the Corporation and its subsidiaries. It is the objective of the Committee to maintain free and open means of communications among the Board of Directors, the independent auditors, the internal auditors and the financial and senior management of the Corporation.

The Audit Committee's primary duties and responsibilities are to:

- oversee (i) the integrity of the Corporation's financial statements, (ii) the Corporation's compliance with legal and regulatory requirements, and (iii) the independent auditors' qualifications and independence;

- serve as an independent and objective party to monitor the Corporation's financial reporting processes and internal control systems;

- review and appraise the audit activities of the Corporation's independent auditors and the internal auditing functions; and

- provide open lines of communication among the independent auditors, financial and senior management and the Board of Directors for financial reporting and control matters.

The Committee is directly responsible for the appointment (subject to shareholder approval), compensation, retention, evaluation and oversight of the work of the Corporation's independent auditors engaged for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Corporation and, in accordance with the requirements of the Toronto Stock Exchange (the "**TSX**") and the rules promulgated by the Ontario Securities Commission (the "**OSC**"), the independent auditors must report directly to the Committee and are accountable to the Committee (as representatives of the shareholders of the Corporation). The Committee's oversight responsibilities include the authority to approve all audit engagement fees and terms, as well as all permitted non-audit engagements and the resolution of disagreements between management and the independent auditors regarding financial reporting. The Committee shall take such actions as it may deem necessary to satisfy it that the Corporation's auditors are independent within the meaning of applicable securities laws.

II. Composition of the Committee

The Board of Directors shall designate annually the members of the Committee and a Chairman of the Committee. The Committee will be comprised of at least three directors. Each member of the Committee shall be an "independent" director, and, as such, shall be free from any relationship that may interfere with the exercise of independent judgment as a member of the Committee. Under National Instrument 52-110 – Audit Committees ("**NI 51-110**"), a member of an audit committee is considered independent if the member has no direct or indirect material relationship with the Corporation. A "material relationship" is defined under NI 52-110 as a relationship which could, in the view of the Board of Directors, reasonably interfere with the exercise of a member's independent judgment. Certain classes of individuals are deemed under NI 52-110 to have a material relationship with the Company.

In addition, each member of the Committee shall be an "unrelated director" in accordance with the proposed corporate governance guidelines of the Toronto Stock Exchange. An "unrelated director" means a director who is independent of management and is free of any interest and any business or other relationship which could, or could reasonably be perceived to; materially interfere with the director's ability to act in the best interests of the Corporation, other than interests or relationships arising from shareholding.

All members should have skills and/or experience which are relevant to the mandate of the Committee. All members of the Committee shall be financially literate at the time of their appointment to the Committee. "Financial literacy" shall be determined by the Board of Directors in the exercise of its business judgment, and shall include a working familiarity of basic finance and accounting practices. Pursuant to NI 52-110, "financial literacy" means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements. Further, at least one member of the Committee shall have "accounting or related financial experience" as required under the rules of the TSX. Specifically, the Committee member with "accounting or related financial experience" must have the following attributes:

- an understanding and ability to analyze and interpret a full set of financial statements prepared in accordance with generally accepted accounting principles in Canada ("**Canadian GAAP**") (or generally accepted accounting principles in the United States ("**U.S. GAAP**") if the Corporation elects to present its primary financial statements in accordance with U.S. GAAP);

- an ability to assess the general application of Canadian GAAP in connection with the accounting for estimates, accruals and reserves;

- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more persons engaged in such activities;

- an understanding of internal controls and procedures for financial reporting; and
- an understanding of audit committee functions.

Each member of the Committee and the Committee generally, shall satisfy the applicable independence and experience requirements of: (i) the laws governing the Corporation, (ii) the TSX, and (iii) applicable securities regulatory authorities.

Committee members, if they or the Board of Directors deem it appropriate, may enhance their understanding of finance and accounting by participating in educational programs conducted by the Corporation or an outside consultant or firm.

III. Duties and Responsibilities of the Committee

In carrying out its duties and responsibilities, the Committee's policies and procedures should remain flexible, so that it may be in a position to best react or respond to changing circumstances or conditions. The Committee should review and reassess annually the adequacy of the Committee's charter. The charter shall specify:

- the scope of the Committee's responsibilities and how it carries out those responsibilities;
- the ultimate accountability of the Corporation's independent auditors to the Committee (as representatives of the shareholders of the Corporation);
- the responsibility of the Committee for the appointment (subject to shareholder approval), compensation, retention, evaluation and oversight of the Corporation's independent auditors; and
- that the Committee is responsible for ensuring that the Corporation's independent auditors submit on a periodic basis to the Committee a formal written statement delineating all relationships between the independent auditors and the Corporation and that the Committee is responsible for actively engaging in a dialogue with the independent auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditors and for taking appropriate action to ensure the independence of the independent auditors.

While there is no "blueprint" to be followed by the Committee in carrying out its duties and responsibilities, the responsibilities and authority of the Committee generally include, but are not restricted to, undertaking the matters listed below:

Selection and Evaluation of Auditors

(1) Select the firm of independent public accountants to audit the books and accounts of the Corporation and its subsidiaries for each fiscal year.

(2) Review and approve the Corporation's independent auditors' annual engagement letter, including the proposed fees contained therein.

(3) Review the performance of the Corporation's independent auditors and replace or terminate the independent auditors when circumstances warrant.

(4) Oversee the independence of the Corporation's independent auditors by, among other things:

(i) requiring the independent auditors to deliver to the Committee on a periodic basis a formal written statement delineating all relationships between the independent auditors and the Corporation; and

(ii) actively engaging in a dialogue with the independent auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditors and taking appropriate action to satisfy itself of the auditors' independence.

(5) Instruct the Corporation's independent auditors that:

(i) they are ultimately accountable to the Committee (as representatives of the shareholders of the Corporation);

(ii) they must report directly to the Committee; and

(iii) the Committee is responsible for the appointment (subject to shareholder approval), compensation, retention, evaluation and oversight of the Corporation's independent auditors.

(6) Review and pre-approve all audit and permitted non-audit services or mandates to be provided by the independent auditors to the Corporation, including tax services and to determine which non-audit services the independent auditor is prohibited from providing.

Oversight of Annual Audit

(1) Review and accept, if appropriate, the annual audit plan of the Corporation's independent auditors, including the scope of audit activities, and monitor such plan's progress and results during the year.

(2) Confirm through private discussions with the Corporation's independent auditors and the Corporation's management that no management restrictions being placed on the scope of the independent auditors' work

(3) Review the results of the year-end audit of the Corporation, including (as applicable):

(i) the audit report, the published financial statements, the management representation letter, the "Memorandum Regarding Accounting Procedures and Internal Control" or similar memorandum prepared by the

Corporation's independent auditors, any other pertinent reports and management's responses concerning such memorandum;

(ii) the review of and discussions with the independent auditor as to the qualitative judgments of the independent auditors about the appropriateness, not just the acceptability, of accounting principle and financial disclosure practices used or proposed to be adopted by the Corporation including any alternative treatments of financial information that have been discussed with management, the ramification of their use and the independent auditor's preferred treatment as well as any other material communications with management and, particularly, about the degree of aggressiveness or conservatism of its accounting principles and underlying estimates;

(iii) the selection and application of the Corporation's critical accounting policies

(iv) the methods used to account for significant unusual transactions;

(v) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus;

(vi) significant recorded and unrecorded audit adjustments;

(vii) any material accounting issues among management, the Corporation's internal auditing department and the independent auditors; and

(viii) other matters required to be communicated to the Committee under generally accepted auditing standards, as amended, by the independent auditors.

(4) Review with management and the Corporation's independent auditors such accounting policies (and changes therein) of the Corporation, including any financial reporting issues which could have a material impact on the Corporation's financial statements, as are deemed appropriate for review by the Committee prior to any year-end filings with the OSC or other regulatory body.

(5) Receive a report from the Corporation's independent auditors, prior to the filing of the audit report with the OSC, regarding:

(i) all critical accounting policies and practices used by the Corporation;

(ii) all material alternative accounting treatments of financial information within Canadian GAAP that have been discussed with management, including the ramifications of the use of such alternative treatments, and the treatment preferred by the independent auditors; and

(iii) other material written communications between the independent auditors and management.

Oversight of Financial Reporting Process and Internal Controls

(1) Review the adequacy and effectiveness of the Corporation's accounting and internal control policies and procedures through inquiry and discussions with the Corporation's independent auditors and management of the Corporation.

(2) Review with management the Corporation's administrative, operational and accounting internal controls, including controls and security of the computerized information systems, and evaluate whether the Corporation is operating in accordance with its prescribed policies, procedures and codes of conduct.

(3) Review with management and the independent auditors any reportable conditions and material weaknesses affecting internal control.

(4) Receive periodic reports from the Corporation's independent auditors and management of the Corporation to assess the impact on the Corporation of significant accounting or financial reporting developments proposed by the CICA, the AICPA, the Financial Accounting Standards Board, the OSC or other regulatory body, or any other significant accounting or financial reporting related matters that may have a bearing on the Corporation.

(5) Discuss generally with management the types of information to be disclosed and presentations to be made in connection with the Corporation's (a) issuance of earnings press releases (including the Company's use of "pro forma" or "adjusted" non-GAAP information), and (b) disclosure of financial information and earnings guidance to analysts and ratings agencies. The Committee need not discuss in advance each earnings release or each instance in which the Corporation may provide earnings guidance.

(6) Discuss the Corporation's policies and guidelines which govern the Corporation's risk assessment and risk management as well as discuss the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures.

(7) Establish and maintain free and open means of communication between and among the Board of Directors, the Committee, the Corporation's independent auditors, the Corporation's internal auditing department and management.

Other Matters

(1) Review the Company's financial statements, Management Discussion and Analysis and annual and interim earnings press releases before the Company publicly discloses the information.

(2) Ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and must periodically assess the adequacy of those procedures.

(3) Meet with counsel regularly to review legal and regulatory matters, including any matters that may have a material impact on the financial statements of the Corporation.

(4) Review the Corporation's policies relating to the avoidance of conflicts of interest and review and approve any transactions between the Corporation and members of management as well as policies and procedures with respect to officers' expense accounts and perquisites, including the use of corporate assets. The Committee shall consider the results of any review of these policies and procedures by the Corporation's independent auditors.

(5) Conduct or authorize investigations into any matters within the Committee's scope of responsibilities, including retaining outside counsel or other consultants or experts as the Committee determines necessary to carry out its duties.

(6) Establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal controls or auditing matters and the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

(7) Establish procedures for the review and approval of financial and related information of the Corporation.

(8) Review and approve the Corporation's hiring policies regarding employees and former employees of the present and former external auditors of the Corporation.

(9) Perform such additional activities, and consider such other matters, within the scope of its responsibilities, as the Committee or the Board of Directors deems necessary or appropriate.

With respect to the duties and responsibilities listed above, the Committee should:

(1) Report regularly to the Board of Directors on its activities, as appropriate.

(2) Exercise reasonable diligence in gathering and considering all material information.

(3) Understand and weigh alternative courses of conduct that may be available.

(4) Focus on weighing the benefit versus harm to the Corporation and its shareholders when considering alternative recommendations or courses of action.

(5) If the Committee deems it appropriate, secure independent expert advice and understand the expert's findings and the basis for such findings, including retaining independent counsel, accountants or others to assist the Committee in fulfilling its duties and responsibilities.

(6) Provide management, the Corporation's independent auditors and internal auditors with appropriate opportunities to meet privately with the Committee.

IV. Meetings of the Committee

The Committee will meet as often as it deems necessary or appropriate to perform its duties and carry out its responsibilities described above in a timely manner, but at least once each fiscal quarter. Meetings may be held at any time deemed appropriate by the Committee. All such meetings shall be held pursuant to the By-Laws of the Corporation with regard to notice of waiver thereof, and written minutes of each such meeting shall be duly filed in the Corporation's records.

As part of its purpose to foster open communications, the Committee shall meet at least annually with management, the head of the internal auditing department and the Corporation's independent auditors in separate executive sessions to discuss any matters that the Committee or each of these groups or persons believe should be discussed privately. The Chairman should work with the Chief Financial Officer and management to establish the agenda for Committee meetings. The Committee, in its discretion, may ask members of management or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary. The Committee shall maintain minutes of its meetings and records relating to those meetings and the Committee's activities and provide copies of such minutes to the Board of Directors. The Chairman of the Committee will report periodically the Committee's findings and recommendations to the Board of Directors.

The independent auditors will have direct access to the Committee at their own initiative.

V. Funding

The Committee's effectiveness may be compromised if it is dependent on management's discretion to compensate the independent auditors or the advisors employed by the Committee. Consequently, the Committee shall have authority to engage and obtain advice and assistance from advisors, including independent or outside legal counsel and accountants, as it determines is necessary or appropriate to carry out its duties. The Corporation shall provide for appropriate funding, as determined by the Committee, for payment of any compensation (i) to any independent auditors engaged for the purpose of rendering or issuing an audit report or related work or performing other audit, review or attest services for the Corporation, and (ii) to any independent advisors employed by the Committee.

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While the Committee has the duties and responsibilities set forth in this charter, the Committee is not responsible for planning or conducting the audit or for determining whether the Corporation's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. Similarly, it is not the responsibility of the Committee to ensure that the Corporation complies with all laws and regulations.