

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold in the United States except in compliance with the registration requirements of the United States Securities Act of 1933, as amended, and the applicable state securities laws or pursuant to an exemption therefrom.

Initial Public Offering

February 7, 2005

Opta Minerals Inc.

\$18,000,000

4,500,000 Units

This prospectus qualifies the distribution (the "Offering") of 4,500,000 units (the "Units") of Opta Minerals Inc. (the "Company" or "Opta Minerals") at an offering price of \$4.00 per Unit (the "Offering Price"). Each Unit consists of one common share of the Company (a "Common Share") and one-half of a Common Share purchase warrant of the Company (each whole Common Share purchase warrant, a "Warrant"). Each Warrant shall entitle the holder to purchase one Common Share at a price of \$5.00 for a period of two years from the Closing Date (defined below). The Units will be separable into Common Shares and Warrants immediately following closing of the Offering. Opta Minerals is an environmentally-conscious, vertically integrated producer, manufacturer, distributor and recycler of silica-free abrasives and other industrial minerals. As at the date hereof, SunOpta Inc. ("SunOpta") owns 100 Common Shares, and immediately prior to the closing of the Offering following completion of the Reorganization (as described under "Reorganization"), SunOpta will own 12,000,000 Common Shares, in each case representing 100% of the then outstanding Common Shares. Immediately following the closing of the Offering, SunOpta will own approximately 72.7% of the then outstanding Common Shares or approximately 70.8% of the outstanding Common Shares if the Over-Allotment Option (defined below) is fully exercised and no Warrants are exercised.

There is currently no market through which the Common Shares or Warrants may be sold and purchasers may not be able to resell Common Shares or Warrants purchased under this prospectus. The Toronto Stock Exchange (the "TSX") has conditionally approved the listing of the Common Shares (including those issuable upon exercise of the Warrants) and Warrants under the symbols "OPM" and "OPM.WT", respectively. The listing is subject to the Company fulfilling all of the requirements of the TSX on or before February 23, 2005. In connection with the Offering, the Underwriters (defined below) may over-allot or effect transactions that stabilize or maintain the market price of the Common Shares and/or Warrants at levels other than those which might otherwise prevail on the open market. Such transactions may be commenced or discontinued at any time during the Offering. See "Plan of Distribution".

An investment in the Units is subject to a number of risks that should be considered by prospective purchasers. See "Risk Factors".

Price: \$4.00 per Unit

	Price to the Public (1)	Underwriters' Fee (2)	Net Proceeds to the Company (3)
Per Unit	\$4.00	\$0.24	\$3.76
Total Offering (4)	\$18,000,000	\$1,080,000	\$16,920,000

- Notes:
- (1) The Offering Price has been determined by negotiation between the Company and the Underwriters.
 - (2) In consideration of their services in connection with the Offering, the Company will pay to the Underwriters a fee equal to 6.0% of the total proceeds of the Offering or \$0.24 per Unit and has agreed to issue to the Underwriters compensation options (the "Compensation Options") to purchase such number of Common Shares as is equal to 3.0% of the number of Units issued and sold pursuant to the Offering and 3.0% of the number of Common Shares issued upon exercise of the Over-Allotment Option (defined below), at the Offering Price for a period of two years following the closing of the Offering. This prospectus qualifies the distribution of the Compensation Options. See "Plan of Distribution".
 - (3) Before deducting the expenses of the Offering which are estimated to be \$1,600,000, which expenses, together with the Underwriters' fees, will be paid by the Company out of the proceeds of the Offering.
 - (4) The Company has granted the Underwriters an over-allotment option, exercisable for a period of 30 days from the closing of the Offering, to purchase up to 450,000 additional Common Shares at a price of \$3.99 per Common Share and 225,000 additional Warrants at a price of \$0.01 per each half Warrant, solely to cover over-allotments, if any, and for market stabilization purposes (the "Over-Allotment Option"). In respect of the Over-Allotment Option, the Company will pay to the Underwriters a fee equal to 6.0% of the proceeds realized on the exercise of the Over-Allotment Option or \$0.2394 per Common Share and \$0.0012 per Warrant. If the Over-Allotment Option is exercised in full, the total "Price to the Public", "Underwriters' Fee" and "Net Proceeds to the Company" will be \$19,800,000, \$1,188,000 and \$18,612,000, respectively. This prospectus qualifies the distribution of the Over-Allotment Option and the distribution of the Units issuable by the Company upon exercise of the Over-Allotment Option. See "Plan of Distribution".

Loewen, Ondaatje, McCutcheon Limited, First Associates Investments Inc. and Canaccord Capital Corporation (collectively, the "Underwriters"), as principals, conditionally offer the Units, subject to prior sale, if, as and when issued, sold and delivered by the Company to, and accepted by, the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters on behalf of the Company by Wildeboer Dellelce LLP and on behalf of the Underwriters by Fasken Martineau DuMoulin LLP. The Underwriters may offer the Units at a lower price than stated above. See "Plan of Distribution".

Subscriptions will be received subject to rejection or allotment in whole or in part and the Underwriters reserve the right to close the subscription books at any time without notice. The Offering will be conducted under the book-based system. An investor who purchases Units will receive a customer confirmation from the registered dealer from or through whom Units are purchased and who is a Canadian Depository for Securities Limited ("CDS") depository service participant. CDS will record the CDS participants who hold Common Shares and Warrants on behalf of owners who have purchased or transferred Common Shares and Warrants in accordance with the book-based system. Neither Common Share nor Warrant certificates will be issued unless specifically requested. It is intended that the closing of the Offering will take place on or about February 17, 2005, or such later date as the Company and the Underwriters may agree, but in any event not later than March 21, 2005 (the "Closing Date").

Opta Minerals Inc.

FACILITIES & MARKETS

- Abrasives
- Foundry
- Steel Mills
- Recycling
- Surface Preparation
- Golf Sands
- Water Jet Cutting
- Construction
- Municipal Water Filtration

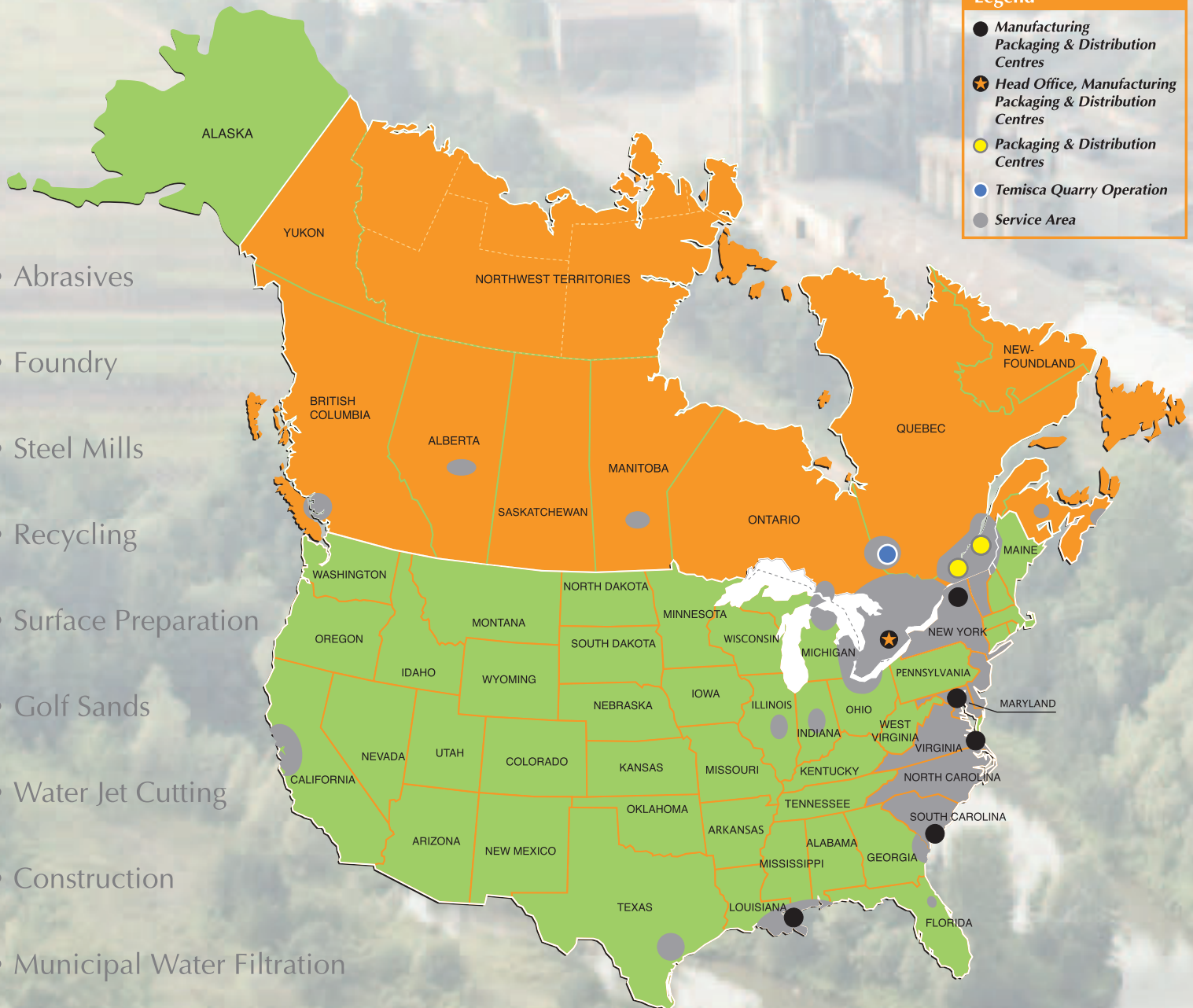


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FORWARD-LOOKING STATEMENTS

Certain statements in this prospectus 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 prospectus, 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 prospectus. 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 prospectus are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of the prospectus, and the Company assumes no obligation to update or revise them to reflect new events or circumstances.

GENERAL MATTERS

As used in this prospectus, 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 “Reorganization”, the “Opta Minerals Group” operating division of SunOpta Inc. (“SunOpta”, formerly Stake Technology Ltd.) that is to be transferred to Opta Minerals pursuant to the Reorganization. See “Reorganization”.

Unless otherwise indicated, the disclosure contained in this prospectus assumes that (i) the steps under the heading Reorganization have been completed, and (ii) that none of the Warrants, the Compensation Options, the Over-Allotment Option or any options issued by the Company pursuant to its stock option plan have been exercised. In this prospectus, unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and references to “\$” are to Canadian dollars.

The industry statistical data presented in this prospectus, except where otherwise noted, has been compiled from industry sources and participants which although not independently verified by the Company, are considered by the Company to be reliable sources of information. References in this prospectus to research reports or articles should not be construed as depicting the complete findings of the entire referenced report or article and such report or article is not incorporated by reference into this prospectus.

“Opta Minerals”, the Opta Minerals logo, “BlackBlast”, “EconoBlast”, “EbonyGrit” 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 prospectus are the trade-marks, service marks, designs or logos of the company or entity that owns them.

The Company prepares its financial statements in Canadian dollars and in conformity with generally accepted accounting principles in Canada (“Canadian GAAP”). The term “EBIT” refers to earnings before deducting interest expense and provision for income taxes. See “Selected Financial Information”. The Company believes that EBIT is useful supplemental information as it provides an indication of the results generated by the Company’s main business activities prior to taking into consideration how those activities are financed and taxed. The term “EBITDA” refers to earnings before deducting interest expense, provision for income taxes, depreciation and amortization. See “Selected Financial Information”. The Company believes that EBITDA is useful supplemental information as it provides an indication of the results generated by the Company’s main business activities prior to taking into consideration how those activities are financed and taxed and also prior to taking into consideration asset depreciation. EBIT and EBITDA are not recognized measures under Canadian GAAP, and accordingly investors are cautioned that neither EBIT nor EBITDA should be construed as an alternative to net earnings or loss determined in accordance with Canadian GAAP as an indicator of the financial performance of the Company or as a measure of the Company’s liquidity and cash flows. The Company’s method of calculating EBIT and EBITDA may differ from other issuers and, accordingly, EBIT and EBITDA may not be comparable to similar measures presented by other issuers.

EXCHANGE RATE INFORMATION

The financial statements included in this prospectus are presented 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. On February 4, 2005 the closing rate for one Canadian dollar in U.S. dollars as per the Bank of Canada was CDN\$1.00 = US\$0.8009.

	<u>High</u>	<u>Low</u>	<u>Average(1)</u>	<u>End of Period</u>
Nine-Month Period Ended September 30,				
2004	0.7926	0.7165	0.7530	0.7926
2003	0.7491	0.6381	0.6999	0.7408
Years ended December 31,				
2003	0.7726	0.6381	0.7135	0.7726
2002	0.6613	0.6201	0.6368	0.6339
2001	0.6696	0.6237	0.6458	0.6279

Notes:

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

ELIGIBILITY FOR INVESTMENT

In the opinion of Wildeboer Dellelce LLP, counsel to the Company, and Fasken Martineau DuMoulin LLP, counsel to the Underwriters, based on the legislation in effect at the date of this prospectus and subject to compliance with the prudent investment standards and general investment provisions and restrictions of the statutes referred to below (and, where applicable, the regulations under those statutes) and, in certain cases, subject to the satisfaction of additional requirements relating to investment policies, standards, procedures and goals which have been filed, where required, with the appropriate regulatory authorities, the Common Shares and Warrants comprising the Units will not, at the date of closing, be precluded as investments under the following statutes:

<i>Insurance Companies Act (Canada)</i>	<i>Pensions Benefits Act (Ontario)</i>
<i>Trust and Loan Companies Act (Canada)</i>	<i>The Trustee Act (Ontario)</i>
<i>Cooperative Credit Associations Act (Canada)</i>	<i>Loan and Trust Corporations Act (Ontario)</i>
<i>Pension Benefits Standards Act, 1985 (Canada)</i>	<i>An Act respecting insurance (Québec) (for an insurer, as defined therein, incorporated under the laws of the province of Québec, other than a guarantee fund)</i>
<i>Loan and Trust Corporations Act (Alberta)</i>	<i>An Act respecting trust companies and savings companies (Québec) (for a trust company, as defined therein, investing its own funds and deposits it receives and a savings company, as defined therein, investing its funds)</i>
<i>Insurance Act (Alberta)</i>	<i>Supplemental Pension Plans Act (Québec)</i>
<i>Employment Pension Plans Act (Alberta)</i>	<i>The Pension Benefits Act, 1992 (Saskatchewan)</i>
<i>Alberta Heritage Savings Trust Fund Act (Alberta)</i>	
<i>Pension Benefits Standards Act (British Columbia)</i>	
<i>Financial Institutions Act (British Columbia)</i>	
<i>The Insurance Act (Manitoba)</i>	
<i>The Trustee Act (Manitoba)</i>	
<i>The Pension Benefits Act (Manitoba)</i>	
<i>Pension Benefits Act (Nova Scotia)</i>	
<i>Trustee Act (Nova Scotia)</i>	

In the opinion of Wildeboer Dellelce LLP, counsel to the Company, and Fasken Martineau DuMoulin LLP counsel to the Underwriters, based on the provisions of the *Income Tax Act* (Canada) (the “Tax Act”), the regulations thereunder and the proposals to amend the Tax Act and the regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, provided that the Common Shares are listed on a prescribed stock exchange (which includes the TSX), the Common Shares and Warrants comprising the Units offered hereby, if issued on the date hereof, would be qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans and registered education savings plans, provided that in the case of the Warrants, the Company deals at arm’s length with each person who is an annuitant, a beneficiary, an employer or a subscriber under such plan. Based in part on a certificate of the Company as to factual matters, the Common Shares and Warrants comprising the Units, if issued on the date of hereof, would not constitute “foreign property” for the purpose of the tax imposed under Part XI of the Tax Act.

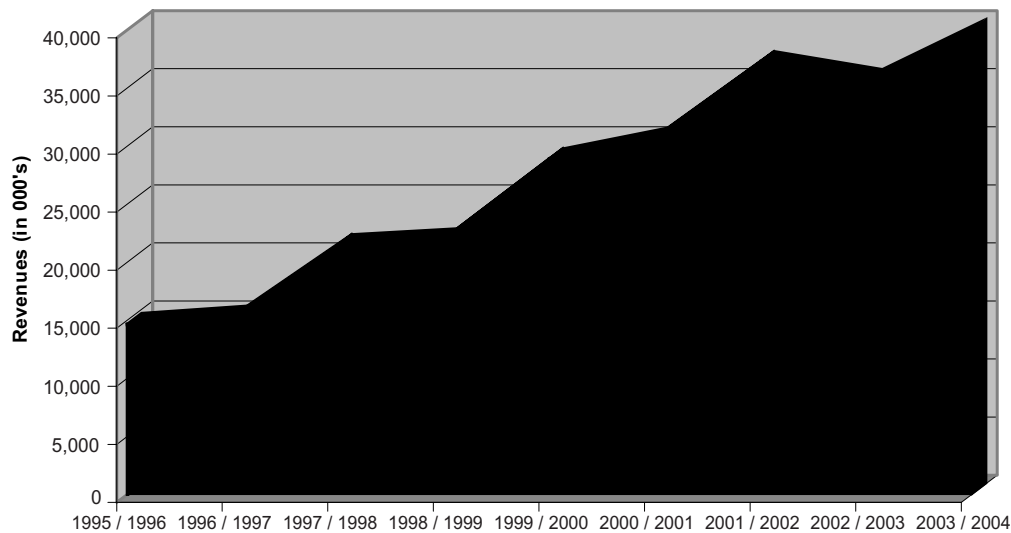
PROSPECTUS SUMMARY

Unless otherwise indicated, the disclosure contained in this prospectus assumes that (i) the steps under the heading "Reorganization" have been completed, and (ii) none of the Warrants, the Compensation Options, the Over-Allotment Option or any options issued by the Company pursuant to its stock option plan have been exercised. In this prospectus, unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and references to "\$" are to Canadian dollars. Please refer to the "Glossary of Terms" at the end of this prospectus for a list of technical terms used herein.

Company Overview

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 with a compound annual revenue growth rate of 13.4% over the period of October 1, 1995 to September 30, 2004. Through a combination of internal growth and successfully integrated strategic acquisitions, the Company has 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. During the nine-month period ended September 30, 2004, the Company's revenues increased 20.1% and earnings increased 41.0% compared to the corresponding period in 2003. Throughout its history, the Company has never experienced an operating loss. These results were achieved while the Company was an operating group within SunOpta and during a period in which SunOpta dedicated the majority of its resources to building its core organic and natural food business. Following closing of the Offering, as a public entity with access to the capital markets, the Company expects that it will experience significant growth over the next several years.

The following diagram illustrates the consistent growth of the Company's revenues over the period from October 1, 1995 to September 30, 2004:



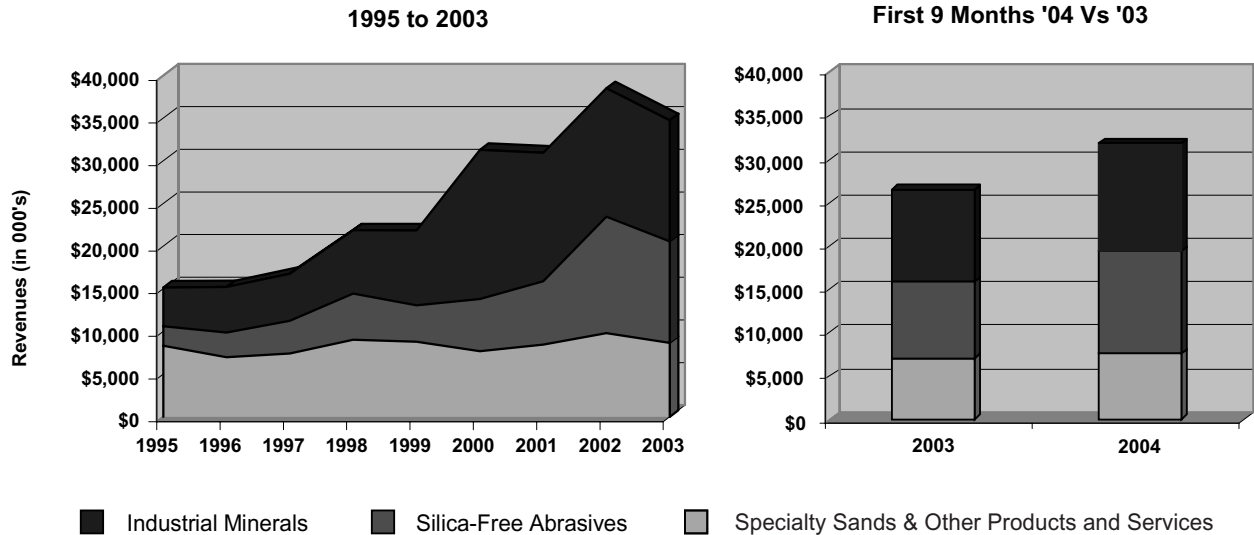
12 Months periods from October 1 to September 30

The Company currently has production and distribution facilities in Ontario, Quebec, Louisiana, South Carolina, Virginia, Maryland and New York and one of the broadest product lines in the industry. In several key regions in which the Company currently participates, the Company holds at least a 75% market share in the supply of silica-free loose abrasives. 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 while at the same time leveraging this core expertise to expand its breadth of services and product offering in other industrial minerals. 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 and/or acquire vertically integrated product lines. To the maximum extent possible, the Company participates at all levels of production, from sourcing raw materials through to the processing, distributing and recycling of its used products. Through this model, the Company is able to optimize quality control and enhance value-added margins while providing a broad range of products and services to its customers.

The following diagrams illustrate the Company's revenues by key product lines over the period of 1995 to 2003 and for the first nine months of 2004 as compared to the first nine months of 2003:



Industry Overview

Opta Minerals competes primarily in the silica-free loose abrasives and other industrial minerals industry, focusing to date on select markets in Eastern North America. In contrast to the Western European market which has recently experienced a period of significant consolidation, the North American marketplace for abrasives and industrial minerals is characterized by a large number of smaller businesses and no single dominant competitor. For the most part, these companies tend to operate in local markets as opposed to on a large regional or national basis.

The three primary types of production abrasives are coated, bonded and loose abrasives. In an independent market report entitled *The Abrasive Industry in Europe and North America: A Market/Technology Report* authored by John Briggs and Ted Giese, the total value of abrasive products produced in the United States alone was estimated to be US\$3.2 billion in 2001, including US\$460 million of loose abrasives. While the Company participates in various levels of the loose abrasives market, including the production and distribution of silica-free loose abrasives for use with blasting equipment and related processes, it does not currently participate directly in the coated or bonded abrasives market.

For over 50 years, silica had been the most commonly used abrasive for abrasive blast cleaning primarily due its relatively low cost. As a result of now widely recognized dangers associated with the use of silica, 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 more expensive silica-free abrasive media. Increased demand for safer alternatives to silica-based products is also being driven by the fact that a number of jurisdictions have restricted or banned silica for use as an abrasive media while many others are presently considering similar measures. If this trend continues away from silica as an abrasive media, the Company's management expects that the value of the North American loose abrasives market will increase materially and believes that the Company is well-positioned to capture a significant portion of this growing market.

Corporate Growth Strategy

Key elements of the Company's corporate growth strategy to build on its current status as a dominant regional supplier and to become one of the dominant North American suppliers of silica-free loose abrasives include:

- continuing to identify, pursue and complete strategic acquisitions in the Company's target markets and to successfully integrate and rationalize acquired operations to boost revenues and profit margins;
- continuing its active program of developing and acquiring new products and services that expand the Company's target markets while leveraging its existing infrastructure and expertise;
- broadening its geographic coverage by establishing or acquiring new distribution and production facilities in Atlantic and Western Canada and in the Southern and Midwestern States and along the West Coast of the United States; and
- expanding its internal processing capabilities through modest capital expenditures designed to improve throughput.

Competitive Advantages

Management of the Company believes that the following key competitive advantages uniquely position the Company to successfully implement its corporate strategy:

- several strategic acquisitions have been successfully completed in recent years demonstrating the ability of the Company and its senior management to rationalize and integrate acquired operations into the Company's existing operations and financial management systems in order to capitalize on acquisition synergies;
- the Company focuses on new product development, which enables it to respond to industry trends and continually offer improved products to its customers. Management expects that approximately 30% of its revenues in 2004 will be derived from products and services developed within the prior four years. In addition, the Company is one of the few market participants which offers customized products for individual customers based on their unique needs by blending and processing a number of raw materials together, thereby providing optimum economics and efficiency for customers while at the same time improving margins for the Company;
- the Company's wide geographic scope throughout Eastern Canada and the Eastern and Southern United States permits the Company to be within close proximity to many of its approximately 2,000 current customers and thereby provide prompt and economical service to those customers as well as to prospective customers;
- the Company's vertically integrated operations from the sourcing of raw materials to the processing, packaging and distribution of its products assists in ensuring quality control and value-added margins as well as the provision of a complete product and service offering for existing and prospective customers;
- the Company procures raw materials and resale products from a diverse range of suppliers and maintains long-term exclusive supply contracts with established suppliers for certain key inputs. As well, the Company operates its own quarry facility in St. Bruno de Guigues, Quebec which provides an abundant supply of high-grade large-grained silica sands;
- Opta Minerals maintains a fully integrated centralized information technology and systems infrastructure that is believed by management to be superior to those of the majority of its competitors in the industry, adding significant operational value to the Company and helping to control the costs of operations; and
- the Company has a strong senior management team with relevant technical and industry experience and a proven track record of successfully integrating acquired companies, businesses and technologies.

Selected Financial Information

The following is a summary of financial information for the periods indicated. The selected financial information for the years ended December 31, 2003, 2002, and 2001 has been derived from the audited combined financial statements appearing elsewhere in this prospectus. The selected financial information for the nine month periods ended September 30, 2004 and 2003 has been derived from the unaudited combined financial statements appearing elsewhere in this prospectus. The following summary financial information should be read in conjunction with the combined financial statements and related notes, and with “Management’s Discussion and Analysis” included in this prospectus.

The combined financial statements for the nine month periods ended September 30, 2004 and 2003 include all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of the financial position and results of operations as at that date and for those periods. The Company believes that the unaudited combined statements contained in this prospectus have been prepared on the same basis as the audited combined financial statements contained in this prospectus.

The combined financial statements presented in this prospectus have been “carved out” from the consolidated financial statements of SunOpta. The combined financial statements include the accounts of Opta Minerals, a division of SunOpta, Virginia Materials, International Materials, Temisca, Distribution A&L and 1108176 Ontario Limited, all of which are currently, and will be up to the completion of the Reorganization, divisions or wholly-owned subsidiaries of SunOpta (and which collectively comprise the Company). See “Development of the Business”.

Nine Months Ended September 30,		Year Ended December 31,		
2004	2003	2003	2002	2001
(unaudited)				
(expressed in thousands of Canadian dollars)				

Income Statement Data

Revenue

Manufacturing & Distribution Operations	30,170	24,973	32,884	36,688	29,224
St. Bruno de Guigues Quarry Operations	<u>1,652</u>	<u>1,518</u>	<u>1,897</u>	<u>1,832</u>	<u>1,833</u>
Total revenue	31,822	26,491	34,781	38,520	31,057
Gross profit	7,192	5,615	7,175	8,689	4,974
<i>Gross margin %</i>	22.6	21.2	20.6	22.6	16.0
Selling, general and administrative expenses	<u>2,854</u>	<u>2,529</u>	<u>3,816</u>	<u>3,866</u>	<u>3,578</u>
Earnings before the following:	4,338	3,086	3,359	4,823	1,396
Interest expense	310	395	591	470	427
Interest and other (income) expense	200	(192)	(140)	(14)	121
Foreign exchange loss (gain)	<u>(73)</u>	<u>78</u>	<u>67</u>	<u>44</u>	<u>(19)</u>
Earnings before income taxes	3,901	2,805	2,841	4,323	867
Provision for income taxes	<u>1,416</u>	<u>1,043</u>	<u>1,058</u>	<u>1,570</u>	<u>380</u>
Net earnings for the period	<u><u>2,485</u></u>	<u><u>1,762</u></u>	<u><u>1,783</u></u>	<u><u>2,753</u></u>	<u><u>487</u></u>

The following table reconciles net earnings to EBIT(1)

	Nine Months Ended		Year Ended December 31,		
	September 30,		2003	2002	2001
	2004	2003			
	(unaudited)				
	(expressed in thousands of Canadian dollars)				
Net earnings	2,485	1,762	1,783	2,753	487
Interest expense	310	395	591	470	427
Provision for income taxes	1,416	1,043	1,058	1,570	380
EBIT(1)	<u>4,211</u>	<u>3,200</u>	<u>3,432</u>	<u>4,793</u>	<u>1,294</u>

Note:

- (1) The term "EBIT" refers to earnings before deducting interest expense and provision for income taxes. The Company believes that EBIT is useful supplemental information as it provides an indication of the results generated by the Company's main business activities prior to taking into consideration how those activities are financed and taxed. EBIT is not a recognized measure under Canadian GAAP, and accordingly investors are cautioned that EBIT should not be construed as an alternative to net earnings or loss determined in accordance with Canadian GAAP as an indicator of the financial performance of the Company or as a measure of the Company's liquidity and cash flows. The Company's method of calculating EBIT may differ from other issuers and, accordingly, EBIT may not be comparable to similar measures presented by other issuers.

	As at	As at December 31,	
	September 30,	2003	2002
	2004		
	(unaudited)		
	(expressed in thousands of Canadian dollars)		

Balance Sheet Data

Cash and cash equivalents	924	536	694
Working capital (excluding amounts due to parent and affiliates)	13,465	10,649	6,909
Total assets	37,488	34,345	35,258
Long-term debt & preference shares (including current portion)	505	515	998
Due to parent and affiliates	17,037	16,516	15,621
Divisional equity	15,087	12,843	11,640

Quarterly Financial Information

The following table sets out selected financial information for each of the nine quarters ended September 30, 2004. In the opinion of management, this information has been prepared on the same basis as the audited combined financial statements appearing elsewhere in this prospectus. Only normal recurring adjustments have been included in the amounts stated below to present fairly the unaudited quarterly results. The operating results for any quarter should not be relied upon as any indication of results for any future periods.

	Quarters Ended								
	Sept 30, 2004	June 30, 2004	March 31, 2004	Dec 31, 2003	Sept 30, 2003	June 30, 2003	March 31, 2003	Dec 31, 2002	Sept 30, 2002
	(unaudited)								
	(expressed in thousands of Canadian dollars)								
Revenue	10,545	12,549	8,728	8,290	8,958	9,386	8,147	9,418	10,429
EBITDA(1)	1,608	2,636	888	543	1,525	1,683	1,014	1,050	2,226
Net earnings for the period ..	838	1,332	315	21	635	773	354	373	1,119

The following table reconciles net earnings for the period to EBITDA(1).

	Quarters Ended								
	Sept 30, 2004	June 30, 2004	March 31, 2004	Dec 31, 2003	Sept 30, 2003	June 30, 2003	March 31, 2003	Dec 31, 2002	Sept 30, 2002
	(unaudited)								
	(expressed in thousands of Canadian dollars)								
Net earnings for the period ..	838	1,332	315	21	635	773	354	373	1,119
Interest expense	65	152	93	196	132	127	136	145	124
Provision for income taxes ..	408	816	192	15	376	458	209	213	639
Depreciation and amortization	297	336	288	311	382	325	315	319	344
EBITDA(1)	<u>1,608</u>	<u>2,636</u>	<u>888</u>	<u>543</u>	<u>1,525</u>	<u>1,683</u>	<u>1,014</u>	<u>1,050</u>	<u>2,226</u>

Note:

- (1) The term "EBITDA" refers to earnings before deducting interest expense, provision for income taxes, depreciation and amortization. The Company believes that EBITDA is useful supplemental information as it provides an indication of the results generated by the Company's main business activities prior to taking into consideration how those activities are financed and taxed and also prior to taking into consideration asset depreciation. EBITDA is not a recognized measure under Canadian GAAP, and accordingly investors are cautioned that EBITDA should not be construed as an alternative to net earnings or loss determined in accordance with Canadian GAAP as an indicator of the financial performance of the Company or as a measure of the Company's liquidity and cash flows. The Company's method of calculating EBITDA may differ from other issuers and, accordingly, EBITDA may not be comparable to similar measures presented by other issuers.

The Offering

The Offering:	4,500,000 Units. Each Unit consists of one Common Share and one-half of a Warrant.
Amount:	\$18,000,000
Price:	\$4.00 per Unit
Warrants:	Each Warrant shall entitle the holder to purchase one Common Share at a price of \$5.00 for a period of two years from the Closing Date.
Over-Allotment Option:	The Company has granted to the Underwriters an Over-Allotment Option to purchase up to 450,000 additional Common Shares at a price of \$3.99 per Common Share and up to 225,000 additional Warrants at a price of \$0.01 per each half Warrant for a period of 30 days following the closing of the Offering. See “Plan of Distribution”.
Shares Outstanding:	There will be 16,500,000 Common Shares outstanding following the closing of the Offering, excluding the Common Shares issuable upon exercise of the Warrants, Over-Allotment Option and Compensation Options and excluding Common Shares subject to outstanding options to purchase Common Shares previously granted by the Company or available for issuance under the Company’s Option Plan. See “Options to Purchase Securities”.
Use of Proceeds:	The Company expects to receive \$15,320,000 in net proceeds from the Offering, after deducting fees payable to the Underwriters of \$1,080,000 and the estimated expenses of the Offering of \$1,600,000. The Company intends to use the net proceeds from the Offering primarily for strategic acquisitions and investments in new products, technologies and businesses that expand or complement the Company’s business and for general corporate purposes. The Company also intends to use approximately \$5,000,000 of the net proceeds of the Offering to repay a portion of certain intercompany loans made by SunOpta to the Company while the Company operated as an independent division of SunOpta prior to the Reorganization. See “Reorganization”. The Company presently has no agreements or commitments with respect to any prospective acquisitions or investments. See “Use of Proceeds”.
Listing:	The TSX has conditionally approved the listing of the Common Shares (including those issuable upon exercise of the Warrants) and the Warrants under the symbols “OPM” and “OPM.WT”, respectively. The listing is subject to the Company fulfilling all of the requirements of the TSX on or before February 23, 2005.
Eligibility for Investment:	The Common Shares and Warrants will not be precluded as investments under certain statutes. Provided that the Common Shares are listed on a prescribed stock exchange (which includes the TSX), the Common Shares and Warrants will be qualified investments for a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered education savings plan or a deferred profit sharing plan under the “Tax Act” and the regulations under the Tax Act (provided that in the case of the Warrants, the Company deals at arm’s length with each person who is an annuitant, a beneficiary, an employer or a subscriber under such plan) and, based upon information provided by the Company, the Common Shares and Warrants at the date of their issue will not constitute “foreign property” for purposes of the Tax Act for persons subject to tax under part XI of the Tax Act. See “Eligibility for Investment”.
Risk Factors:	An investment in the Units involves a high degree of risk. Prospective purchasers should carefully consider the information set out under “Risk Factors” and the other information in this prospectus before purchasing Units. Risks related to Opta Minerals and the industry in which it operates include: maintaining current growth; highly competitive industry; continued operation of manufacturing facilities; retention of management; failure to expand marketing and distribution channels; integration of acquired companies; raw material pricing and availability; supply chain management; renewals of supply and customer arrangements are not guaranteed; environmental

regulations and policies; new regulations; product liability and silicosis liability; cyclical economic and industry conditions; credit risk; reliance on controlling shareholder and potential conflicts of interest; exchange and interest rates; and debt financing. Risks related to the Offering include: potential fluctuations in results of operations and share price; no payment of dividends in the foreseeable future; no prior market for the Common Shares or Warrants; use of proceeds may differ based on business needs; the interests of the controlling shareholder; the “carve out” financial statements for the Company may not reflect the Company’s results of operations and financial position on a stand-alone basis; and potential dilution of Common Shares. See “Risk Factors”.

OPTA MINERALS INC.

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 of SunOpta. SunOpta is a public company listed on the TSX and the Nasdaq Small Cap Market (“Nasdaq”). As of the date hereof, Opta Minerals Inc. has no assets or liabilities and has never carried on an active business. See “Reorganization”.

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; St. Bruno de Guigues, Québec; Drummondville, Québec; Lachine, Québec; New Orleans, Louisiana; Hardeeville, South Carolina; Norfolk, Virginia; Baltimore, Maryland; and Keeseville, New York. The website address of the Company is www.optaminerals.com. The information contained on it is not incorporated in this prospectus.

REORGANIZATION

Prior to the closing of the Offering, SunOpta (including certain wholly-owned subsidiaries of SunOpta) will: (i) complete an internal reorganization of its corporate and capital structure; and (ii) transfer to the Company all of the assets and liabilities held directly by it, and all of its interest in certain subsidiaries, which collectively comprise the Opta Minerals Group of SunOpta (the “Reorganization”).

The terms of the Reorganization will be set out in a purchase agreement to be entered into between SunOpta and the Company (the “Purchase Agreement”) prior to the filing of the (final) prospectus. The Reorganization will be contingent upon certain necessary consents and approvals having been obtained. The Purchase Agreement will contain 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 will include the following steps:

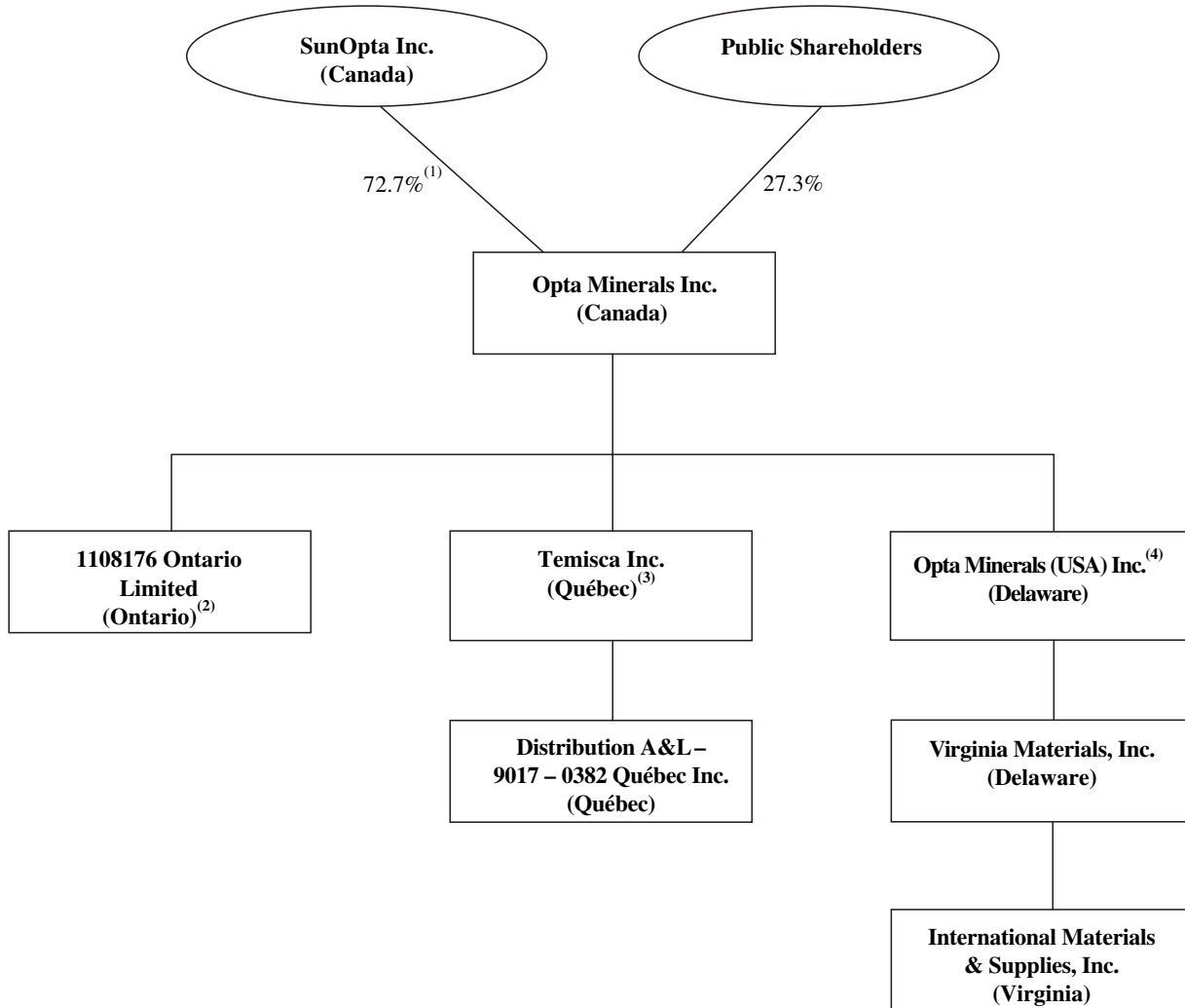
- SunOpta will internally reorganize its corporate structure such that all of the issued and outstanding voting securities of Opta Minerals (USA) Inc., Temisca Inc. and 1108176 Ontario Limited are held directly by SunOpta; and
- pursuant to the terms of the Purchase Agreement, SunOpta will transfer to 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 Opta Minerals (USA) Inc., Temisca Inc. and 1108176 Ontario Limited, in exchange for 11,999,900 Common Shares of the Company.

Immediately following the completion of the Reorganization, SunOpta will hold 100% of the issued and outstanding Common Shares of the Company. It is anticipated that the Reorganization will be completed immediately prior to the closing of the Offering. Following the completion of the Offering, SunOpta will hold 12,000,000 or 72.7% of the issued and outstanding Common Shares, prior to the proposed gifting of 75,000 Common Shares by SunOpta to officers and employees of the Company. See “Principal Shareholders”.

Unless otherwise indicated, all information in this prospectus assumes completion of the Reorganization. For convenience, references to the Company or Opta Minerals in this prospectus 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.

Corporate Chart

Immediately following the completion of the Reorganization and the Offering, the material corporate relationships of the Company will be as set out in the chart below. Unless indicated otherwise, each subsidiary is wholly-owned by its parent.



Notes:

- (1) Prior to proposed gifting of 75,000 Common Shares by SunOpta to officers and employees of the Company. See “Principal Shareholders”.
- (2) At the closing of the Offering, certain non-voting Preferred Shares of 1108176 Ontario Limited (the “1108176 Preferred Shares”) will be held by a party other than Opta Minerals. The 1108176 Preferred Shares represent part of the consideration paid by the Company in respect of the purchase of BEL. See “Development of the Business”. 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 \$86,000. As at the closing of the Offering, there will be 100,001 1108176 Preferred Shares outstanding. See note 10 to the audited combined financial statements appearing elsewhere in this prospectus.
- (3) At the closing of the Offering, certain non-voting Series H Preferred Shares of the Temisca (the “Series H Shares”) will be held by parties other than Opta Minerals. The Company has previously repurchased for cancellation all but 46,412 Series H Shares (representing approximately 10.8% 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. See note 10 to the audited combined financial statements appearing elsewhere in this prospectus.
- (4) Opta Minerals (USA) Inc. was incorporated on November 19, 2004 in contemplation of the Reorganization, in order to facilitate the transfer of certain U.S. assets and the shares of Virginia Materials and International Materials from SunOpta to Opta Minerals on a tax efficient basis.

BUSINESS OF THE COMPANY

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, and material for roofing shingles. 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, roofing shingle applications 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 for abrasive applications, 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.

In an independent market report entitled *The Abrasive Industry in Europe and North America: A Market/Technology Report* authored by John Briggs and Ted Giese, the total value of abrasive products produced in the United States alone was estimated to be US\$3.2 billion in 2001, including US\$460 million of loose abrasives. In contrast to the Western European market which has recently experienced a period of significant consolidation, the North American marketplace for abrasives is characterized by a large number of smaller businesses, often with less than 20 employees, and no single dominant competitor. Furthermore, there are only a limited number of North American competitors providing a full range of silica-free abrasives similar to Opta Minerals. For the most part, these companies tend to operate in local markets as opposed to on a large regional or national basis.

The price range for loose abrasives can vary from US\$25 per tonne to US\$1,000 per tonne depending on the application, chemistry of the surface, profile required and the overall cost of the cleaning process. Management of the Company is not aware of any publicly available statistics on the size of the entire North American loose abrasives market. However, if the trend continues away from the use of silica for blasting applications towards more expensive silica-free abrasive products, the Company's management expects that the total value of the North American loose abrasives market will increase materially.

Opta Minerals' loose abrasives products, which do not include silica sand for blasting applications, compete in approximately 40% of the loose abrasives market in North America in terms of tonnage, and 80% of the categories in terms of market value. Silica sand continues to be the most commonly used media in terms of tonnage, at approximately 56% of the market. However, due to its low cost and value in comparison to substitute and specialty abrasive media (US\$31 per tonne versus US\$30 to US\$1,000 per tonne), silica sand accounts for only approximately 10% of the overall North American market value for abrasives. Therefore, if there continues to be a decline in the use of silica for blasting applications, then the Company expects that it will compete in a larger percentage of the total North American loose abrasives market.

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 foundry products based on their specific chemical and physical properties. Bentonites are used for binders in foundry molding sands. Refractory minerals such as chromite and zircon are used to produce cores for high temperature metal casting. 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.
- 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

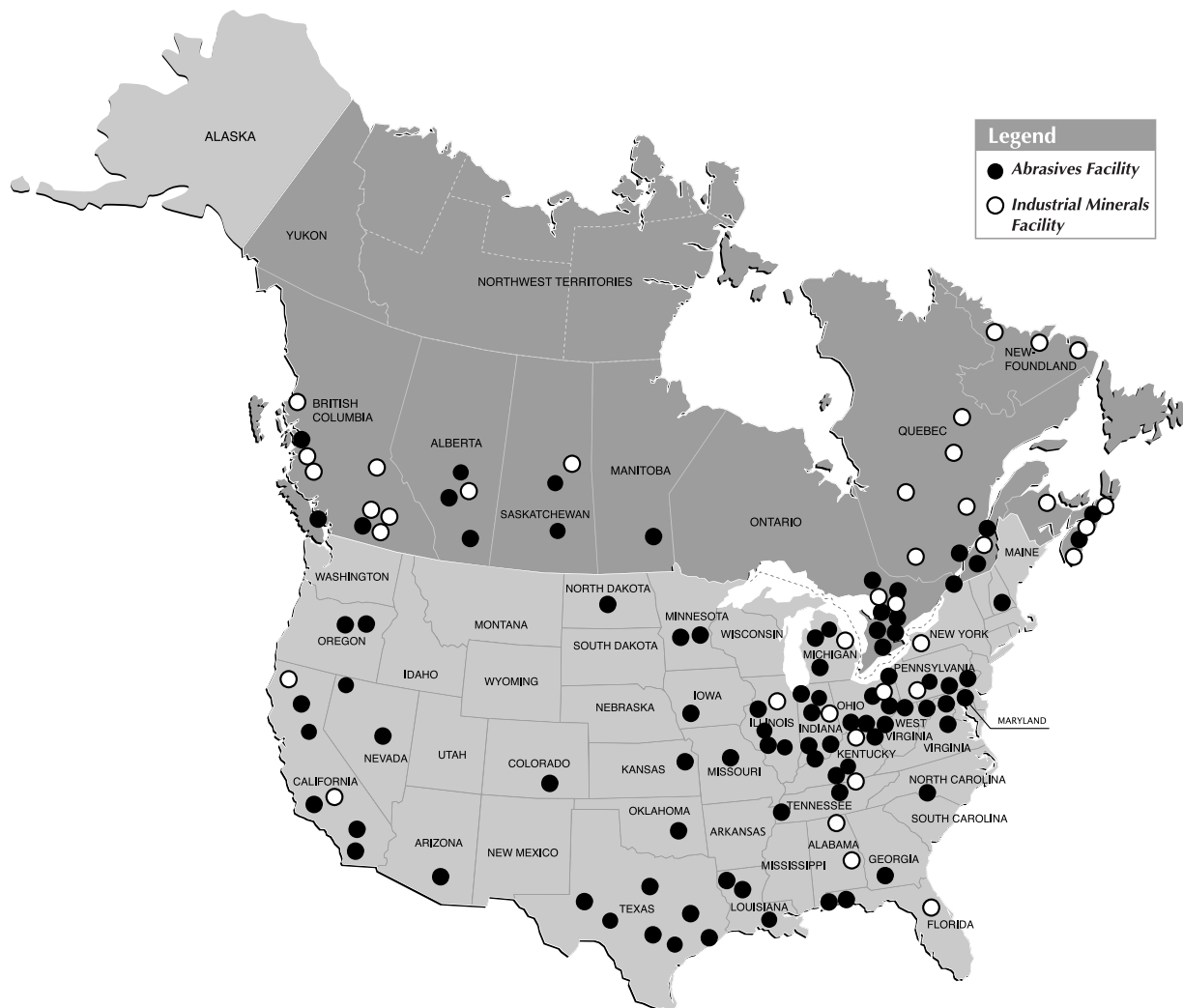
effluent water treatment are handled with the use of industrial minerals, which either contribute to a chemical reaction to purify the water or serve as a filtering media to remove unwanted particles.

Market Opportunity

The North American marketplace for silica-free abrasives and other industrial minerals is currently fragmented with no single dominant participant. The Company believes that this market landscape presents the Company with a number of opportunities to provide both existing and new customers with a broader product line and reduced delivery times, as well as make strategic acquisitions to expand its distribution capabilities. The Company intends to become a dominant supplier of loose abrasives in North America with a broad product line and geographic distribution while at the same time leveraging this core expertise to expand its breadth of services and product offering in industrial minerals.

The nature of the market for loose abrasives and other industrial minerals is such that the logistics of transportation and the timing of deliveries are key industry success factors. The Company intends to capitalize on its core strength in this and other areas by focusing its marketing efforts on providing the broadest product line with the greatest geographic coverage through the continued establishment or acquisition of local production facilities. The Company intends to further its marketing efforts by capitalizing on its exclusive sourcing arrangements with low-cost raw material suppliers from around the world.

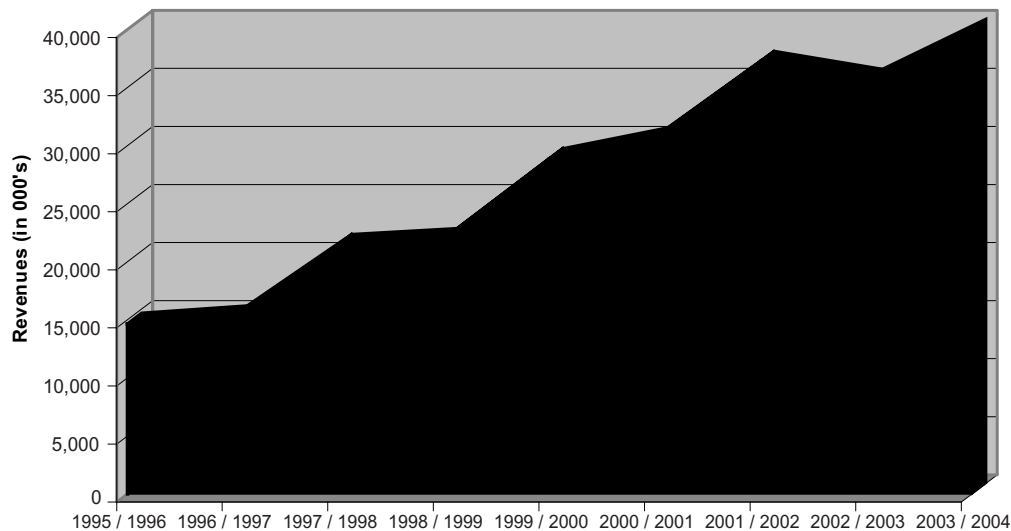
The following map, which sets out the locations of the manufacturing and distribution facilities of the most significant market participants (excluding Opta Minerals), illustrates the current fragmented landscape of the abrasives and industrial minerals markets:



Company Overview

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 with a compound annual revenue growth rate of 13.4% over the period of October 1, 1995 to September 30, 2004. Through a combination of internal growth and successfully integrated strategic acquisitions, the Company has 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. During the nine-month period ended September 30, 2004, the Company's revenues increased 20.1% and earnings increased 41.0% compared to the corresponding period in 2003. 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. Following closing of the Offering, as a public entity with access to the capital markets, the Company expects that it will experience significant growth over the next several years.

The following diagram illustrates the consistent growth of the Company's revenues over the period from October 1, 1995 to September 30, 2004:



12 Months periods from October 1 to September 30

The Company currently has production and distribution facilities in Ontario, Quebec, Louisiana, South Carolina, Virginia, Maryland and New York and one of the broadest product lines in the industry. In several key regions in which the Company currently participates, the Company holds at least a 75% market share in the supply of silica-free loose abrasives. 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 while at the same time leveraging this core expertise to expand its breadth of services and product offering in other industrial minerals. 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.

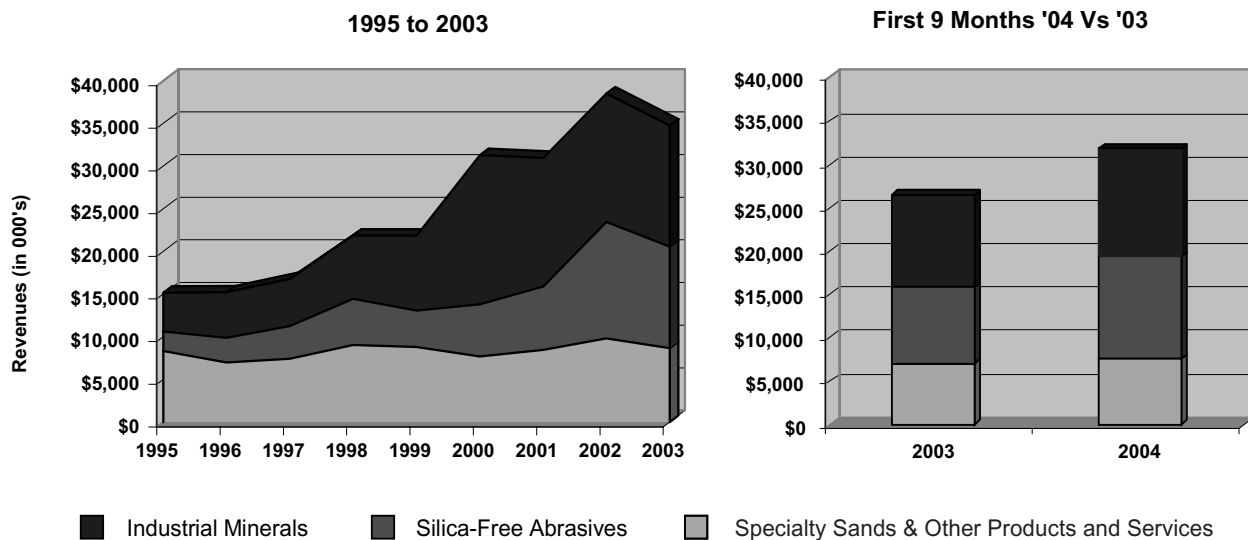
As part of the Company's business strategy, it seeks to create and/or acquire vertically integrated product lines. To the maximum extent possible, the Company participates at all levels of production, starting with sourcing raw materials and continuing through to the processing, distribution and recycling 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 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 produced 118,033 tonnes of silica-free abrasives in the year ended December 31, 2003, which represented approximately \$11.9 million or 34% of the Company's combined revenues for that period. For the nine month period ended September 30, 2004, approximately \$11.8 million or 37% of the Company's combined revenues were derived from sales of silica-free abrasives.

The Company's industrial mineral products include chromites and zircons, clays, coated sands 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 produced 55,968 tonnes of industrial minerals (not including silica-free abrasives) in the year ended December 31, 2003, which represented approximately \$14.2 million or 41% of the Company's combined revenues for that period. For the nine month period ended September 30, 2004, approximately \$12.4 million or 39% of the Company's combined revenues were derived from sales of industrial minerals.

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 St. Bruno de Guigues, Québec. These products and services are sold principally to the consumer home improvement market, the golf bunker sand market and the municipal water filtration market (44,302 tonnes of silica during the year ended December 31, 2003). 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. Specialty sands and related products and services represented approximately \$8.6 million or 25% of the Company's combined revenues for the year ended December 31, 2003, and approximately \$7.6 million or 24% of the Company's combined revenues for the nine month period ended September 30, 2004.

The following diagrams illustrate the Company's revenues by key product lines over the period of 1995 to 2003 and for the first nine months of 2004 as compared to the first nine months of 2003:



The specialty sands and other products and services category as detailed above includes the St. Bruno de Guigues Quarry Operations financial reporting segment which reflects the business results of Temisca Inc. All remaining products have been aggregated within the Manufacturing & Distribution Operations financial reporting segment as detailed in the combined financial statements.

Development of the Business

The Company has grown steadily since 1995 through a combination of internal growth and strategic acquisitions in Eastern Canada and the Eastern and Southeastern United States. The Company has completed a number of acquisitions over the past five years and opened operating facilities in Louisiana, South Carolina and Maryland. The Company has been able to successfully integrate these new businesses into the existing operations and financial management systems of the Company creating synergies that have increased revenues and profit margins. The Company has invested in improving its plant equipment and infrastructure and has been able to reduce costs while growing its production capabilities. As a result, the Company is currently well-positioned to expand current operations with modest capital expenditures. Since 1995, the Company has more than doubled its revenues and achieved consistently strong earnings and cash flow.

During the past several years SunOpta has dedicated the majority of its resources to the growth of its core organic and natural food business, thus restricting Opta Minerals' opportunities for growth. Upon becoming a public company at the closing of the Offering, the Company expects to have substantially greater available financial resources and improved access to future capital in order to expand its current operations and product lines, penetrate new geographic markets and complete strategic acquisitions. The Company anticipates that it will continue to grow both internally and by strategic acquisition, with the goal of becoming a dominant supplier of silica-free abrasives in North America with a varied product line and broad geographic distribution.

The following is a summary outlining the history and growth of the Company's business.

Acquisition of Barnes Environmental Inc.

In January 1995, SunOpta acquired a 51% interest in Barnes Environmental Inc. ("BEI") and entered the industrial minerals and minerals recycling business. SunOpta purchased the remaining 49% interest in BEI later in 1995. BEI was a well-established business with a history dating approximately 134 years, including 84 years at the Company's Waterdown, Ontario location. This acquisition represented the platform upon which Opta Minerals has subsequently been developed.

Purchase of Abrasives Facility in New Orleans, Louisiana

In 1997, the Company purchased its first abrasives facility in the United States in New Orleans, Louisiana. This facility was significantly refurbished in order to service the shipbuilding and repair markets in the Louisiana Gulf region with high quality silica-free abrasives and it has continued to do so since its inception. Traditionally, the Louisiana Gulf market had used low value silica sand as an abrasive.

Acquisition of George F. Pettinos (Canada) Limited

In March 2000, the Company acquired George F. Pettinos (Canada) Limited ("PECAL"), a Hamilton, Ontario based producer of coated sands, industrial blends and foundry products. The acquisition of PECAL complemented the business carried on by BEI. Prior to its acquisition, PECAL was a direct competitor of the Company in the sand, coated sand, bentonite, chromite, and zircon businesses and possessed strengths in several other businesses that were closely related to the Company's existing markets. The acquisition of PECAL added new product lines in several key areas and has since increased sales levels in Ontario and select United States markets. As part of the Company's efforts to rationalize costs on an ongoing basis, the Hamilton, Ontario facility was sold to an unrelated party in January 2004 and operations consolidated at other locations.

Acquisition of Temisca Inc.

In October 2000, the Company acquired the outstanding voting shares of Temisca Inc. ("Temisca"), a specialty sand quarry and processing center located in St. Bruno de Guigues, Québec. The acquisition of Temisca provided the Company with its first directly controlled raw material source, allowing the Company to increase its sales to existing and new customers. The sands extracted from Temisca's properties are suited to filtration, frac sand, golf course bunkers and construction applications.

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 aluminum 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 Southeastern 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 Southeastern 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, roofing shingles and general abrasives industries. This facility began operations in October 2004.

Principal 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, making it an excellent source of materials for a customer’s diverse needs. 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).

Opta Minerals maintains a strong focus on new product development. Management expects approximately 30% of its revenues in 2004 will be 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, blended and applied to specific identified customer needs. For example, the Company recently produced a blend of Barshot and magnetite to create a cement densifying material for use in the construction of tanks used to store nuclear spent rods or to surround radiation centres at hospitals.

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 generally sources its raw materials under exclusive or sole sourced arrangements and brings these materials into its various plants in large volumes by ship, rail or truck. The materials are inventoried, dried, crushed, screened, packaged and shipped throughout North America. The Company also maintains an inventory of packaged products at its warehouses in Canada and the United States.

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.

Silica-Free Abrasives

The Company produced approximately 118,033 tonnes of silica-free abrasives in the year ended December 31, 2003, which represented approximately \$11.9 million or 34% of the Company's combined revenues for that period. For the nine month period ended September 30, 2004, approximately \$11.8 million or 37% of the Company's combined revenues were derived from sales of 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, for ship restoration projects and for the production of roofing shingles.
- *EconoBlast:* Working together with one of the world's largest aluminum manufacturers, Opta Minerals takes aluminum 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.
- *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 aluminum 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.

Other Industrial Minerals

The Company produced approximately 55,968 tonnes of industrial minerals (not including silica-free abrasives) in the year ended December 31, 2003, which represented approximately \$14.2 million or 41% of the Company's combined revenues for that period. For the nine month period ended September 30, 2004, approximately \$12.4 million or 39% of the Company's combined revenues were derived from sales of 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 tonnes of these materials annually.
- *Clays:* The largest source 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 molding, 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.
- *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 St. Bruno de Guigues, Québec. The silica sands produced by the Company are not sold for use as an abrasive material. Specialty sands and other products and services represented approximately \$8.6 million or 25% of the Company's combined revenues for the year ended December 31, 2003, and approximately \$7.6 million or 24% of the Company's combined revenues for the nine month period ended September 30, 2004. 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 address 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.

Operations and Facilities

Overview of Operations

The Company produces, manufactures, distributes and recycles silica-free abrasives and other industrial minerals to the foundry, steel, marine/bridge cleaning and municipal water filtration industries and recycles inorganic materials. The patented and sole source abrasives produced by the Company are free of silica, making them a clean, efficient and recyclable alternative to traditional abrasives. Recycling operations are conducted at Waterdown, Ontario and Norfolk, Virginia. This is an important service that the Company provides to its customers which results in the reuse of materials that would otherwise be sent directly to landfills. The Company also continually focuses on new product innovation. The Company maintains laboratory facilities and works with local universities and research centres to evaluate product quality and develop new products.

The Company's operations encompass and service much of the east coast of North America, with production facilities located in Louisiana, South Carolina, Virginia, Maryland, New York, Ontario and Québec, allowing the Company to maintain a strong customer base throughout North America by providing economic supply and timely delivery of the Company's products and services to its customers. In addition to its manufacturing facilities, the Company also owns and operates distribution and packaging centres in Lachine and Drummondville, Québec. The Company has built or acquired facilities at locations along the east coast of the United States where major shipbuilding, ship repair and bridge cleaning activities are concentrated. The Company's multiple facilities allow for fast and economic service and have enabled the Company to broaden its silica-free abrasive product lines to supply wider markets and applications from these facilities. The Company has also expanded its product lines at these locations to include industrial mineral sales, which are sourced from around the world.

The Temisca specialty sand operation located in St. Bruno de Guigues, Québec provides the Company with an economic, high-quality source of specialty sands for non-abrasive applications including water filtration applications, golf course bunkers and other commercial applications. Due to an unusual natural deposit of silica sand, strong quality control, extensive research and development and marketing efforts, the Company has effectively positioned itself in the markets it serves as a high-quality producer of specialty silica sand products.

Description of Company's Facilities

The Company maintains operations at: Waterdown, Ontario; St. Bruno de Guigues, Québec; Drummondville, Québec; Lachine, Québec; New Orleans, Louisiana; Hardeeville, South Carolina; Norfolk, Virginia; Baltimore, Maryland; and Keeseville, New York, 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 made ongoing capital investments, and will continue to invest, in maintaining and upgrading its existing facilities to ensure continued low-cost and efficient operation. Capital expenditures for the 2004 fiscal year are expected to be approximately \$2.7 million, of which approximately \$1.2 million is considered to be maintenance capital. Major expenditures for 2004 include the building of a production plant in Baltimore, Maryland, the purchase of and improvements made to an existing plant in Hardeeville, South Carolina, and the upgrading of infrastructure at the Company's Waterdown, Ontario facility including roadway and stormwater controls. In fiscal 2005, the Company

expects its total capital expenditures to be approximately \$2.5 to \$3.3 million, including maintenance capital expenditures of approximately \$1.2 million.

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 and service areas is identified on the map below, followed by a summary of the material attributes of each facility:



<u>LOCATION</u>	<u>FUNCTION</u>	<u>PRIMARY PRODUCTS</u>
Waterdown, ON	Manufacturing, Packaging, Warehouse, Distribution and Sales Office	Ebony Grit, Barshot, Black Blast, EconoBlast, Chromites, Garnets, Foundry Products, Clays, Specialty Abrasives
St. Bruno de Guigues, QC (Temisca)	Manufacturing, Packaging, Warehouse, Distribution and Sales Office	Filter Sands, Bunker Sands, Construction Sands, Limestone, Coloured Sands
Lachine, QC	Packaging, Warehouse, Distribution and Sales Office	Ebony Grit, Barshot, Chromites, Bentonites, Silica, Foundry Products, Garnets, Specialty Abrasives
St. Germain de Grantham, QC (Drummondville)	Packaging, Warehouse, Distribution and Sales Office	Barshot, Black Blast, EconoBlast, Glass Grit, Absorbents, Specialty Abrasives
Keeseville, NY	Manufacturing, Packaging, Warehouse and Distribution	Garnets
Baltimore, MD	Manufacturing, Packaging, Warehouse and Distribution	Black Blast, Specialty Abrasives
Norfolk, VA	Manufacturing, Packaging, Warehouse and Distribution, and Sales Office	Black Blast, Crystal Grit, EconoBlast, Garnets, Specialty Abrasives
Hardeeville, SC	Manufacturing, Packaging, Warehouse and Distribution	Black Blast, Black Diamond, Specialty Abrasives
New Orleans, LA	Manufacturing, Packaging, Warehouse and Distribution	Barshot, Garnets, Specialty Abrasives

Head Office:

Waterdown, ON This approximately 13,000 sq. ft. 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 and distribution facility, which is capable of processing 300,000 tonnes of abrasives and other industrial minerals annually. With a private rail siding, 75,000 tonnes of storage capacity and the ability to ship up to 5,000 tonnes 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 sq. ft. of indoor manufacturing and warehousing space. This facility has ISO9001:2000 certification.

St. 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 St. Bruno de Guigues site is capable of processing 1,100 tonnes of specialty sands per day.

Lachine, QC This approximately 22,000 sq. ft. owned distribution and packaging facility with rail siding mainly packages and distributes industrial minerals for Eastern Canada markets.

Drummondville, QC This approximately 12,000 sq. ft. leased facility primarily distributes and packages abrasives for the Eastern Canada and Northeastern United States markets.

U.S. Facilities:

Keeseville, NY This approximately 1,900 sq. ft. 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. This new production facility began operations in October 2004.

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 tonnes 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 Mining Company 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.

Corporate Growth Strategy

The Company has experienced strong growth in its revenue and customer base over the last five years. This growth has occurred despite the fact that for the past several years, SunOpta has dedicated the majority of its resources to the growth of its core organic and natural food business.

In addition to increasing sales to existing customers and adding new customers at current operations, the Company's strategy is to accelerate its growth and to capitalize on the level of fragmentation in the industry and lack of consolidation among its competitors in order to enhance its leadership position in the North American marketplace through the development and strategic acquisition of new products, technologies, businesses and services, as well as geographic expansion.

Strategic Acquisitions

Upon becoming a public company following the completion of this Offering, the Company expects to have substantially greater financial resources and improved access to future capital. This will facilitate the Company's ability to pursue acquisition opportunities throughout North America. Management intends to optimize the operating performance of any acquired business using proven post acquisition strategies that the Company has successfully employed in respect of prior acquisitions, including the acquisitions of BEI, PECAL, Temisca, Virginia Materials, International Materials and Distribution A&L. The Company has developed a substantial list of potential acquisition targets located in Canada and the United States in the area of abrasives processing and industrial minerals, which would further expand the breadth of the Company's existing product lines and its geographic coverage.

Development and Acquisition of New Products and Services

The Company intends to continue to both internally develop and acquire new products and services that expand and complement the Company's existing products and services while leveraging the Company's existing infrastructure and expertise. By further broadening its product and service offerings, the Company will be better positioned to not only satisfy the needs of existing customers but also to pursue opportunities in other selected target markets. The Company has developed specialized equipment and expertise to blend different raw materials to create customized products for specific customer needs.

Geographic Expansion

The Company's operations and facilities are currently restricted principally to the eastern regions of North America. By leveraging its Canadian-based production centres and sales offices in Ontario and Québec and expanding its geographic coverage in Canada through the establishment or acquisition of additional distribution and production facilities in the Atlantic and Western Canada, the Company's objective is to create the first Canadian national producer and distributor of silica-free abrasives and other industrial minerals. In the United States, the Company intends to penetrate additional geographic markets by establishing or acquiring production and distribution facilities in the Southern and Midwestern States and along the West Coast of the United States, where a number of potential complementary acquisition and start-up opportunities exist. The Company is confident that future acquisitions can be integrated with the Company's existing operations to achieve increased revenues and profits. The Company has no present agreements or commitments with respect to any prospective acquisitions or investments.

Internal Expansion

While some of the Company's facilities are operating near capacity at times throughout the year to keep up with customer orders, the Company's existing infrastructure provides the Company the flexibility and opportunity to expand the Company's processing capabilities with modest capital expenditures on equipment to improve throughput.

Competitive Advantages

Management of Opta Minerals believes that the following key competitive advantages uniquely position the Company to achieve its objective of becoming one of the dominant North American suppliers of silica-free abrasives:

Successful Integration of Acquisitions and Start-ups

Over the past five years, the Company completed five acquisitions (Distribution A&L, Temisca, PECAL, International Materials and Virginia Materials) and has commenced operations in Hardeeville, South Carolina and constructed a new facility in Baltimore, Maryland in an effort to grow its product line and geographic coverage. See

“Development of the Business”. Largely as a result of the considerable experience of its senior management and Board of Directors, the Company has an established history of successfully acquiring and integrating acquisitions and new operations into its existing operations and financial management systems to capitalize on various synergies and thereby increase revenues and profit margins. Management expects that it will be able to apply the experience gained through prior acquisitions and that the Company will continue to successfully integrate newly acquired businesses in order to facilitate, in part, the future growth of the Company.

New Product Development and Individualized Solutions

Opta Minerals maintains a strong focus on new product development. Approximately 30% of its revenues in 2004 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.

The Company is 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. For example, the Company is able to supply and adapt various blends of abrasives for one specific bridge cleaning job where the conditions and requirements of the job vary over the length of the bridge. This blending and customization expertise allows the Company to economically provide its customers with unique product solutions. This provides the optimum economics and efficiency for customers while improving margins for the Company. This expertise differentiates the Company from most of its competitors, as very few are able to offer this service.

Geographic Coverage/Broad Customer Base

Through its acquisitions and investments, Opta Minerals has established a wide coverage region throughout Eastern Canada and the Eastern and Southeastern United States. This allows the Company to be within close proximity to many of its customers, which in turn allows the Company to provide quick and economical, and in some cases integrated, service to its customers. The wide coverage region has enabled the Company to establish a broad customer base. Opta Minerals offers a broad product line, making it an excellent source of materials for its customers’ diverse needs. The Company sells in excess of 1,800 different products encompassing approximately 3,000 SKUs (stock keeping units). In large part due to its broad product offering, the Company currently maintains in excess of 2,000 customers, with no customer representing in excess of 5% of sales. The Company believes that its internal intelligence and infrastructure serves as a foundation for a strong and sophisticated logistics network and is an important source of competitive advantage for further growth in creating a North American footprint.

Vertical Integration Strategy

The Company’s vertically integrated operations include the sourcing of raw materials and continue through to the processing, distribution and recycling of used products. This model ensures control of quality and value-added margins as well as provides a complete service for the Company’s customers.

An example of the Company’s vertically integrated strategy is Barshot, a specular hematite sourced from Québec Cartier Mining Company under a sole sourcing agreement. To the knowledge of management, the mining area from which the specular hematite is sourced is the only mining area in the world that produces a raw material that is suitable as an abrasive. In addition, the Company has an exclusive licence in certain regions of Canada and the United States for a patent in respect of the use of specular hematite as an abrasive. Typically the Company receives 6,000 to 10,000 tonnes of specular hematite at a time at the Waterdown, Norfolk and New Orleans sites and then processes and packages those refined materials in bags, supersacs or for shipment in bulk.

In addition, the recycling service offered by the Company provides customers with a complete solution to the use and disposal of spent abrasives. Through the Company’s recycling process, abrasive materials are reused instead of being sent directly to landfills. In many cases, Opta Minerals has been able to integrate within a customer’s operations

to provide on-time delivery and removal of used abrasives and other industrial minerals creating a mutual dependency, which serves to create a long-term relationship with the customer.

Suppliers/Stable and Diverse Supply of Raw Materials

The Company procures raw materials and resale products from a diverse range of suppliers. While the Company has several alternative sources of supply for most raw materials, it maintains a number of long-term exclusive supply contracts with established suppliers, which helps to ensure an adequate and cost-effective supply of raw materials. Further to this, the Company operates its own facility in St. Bruno de Guigues, Quebec which provides an abundant supply of high-grade large-grained sands.

Technology Infrastructure

Opta Minerals maintains a stand-alone information technology and systems infrastructure that is believed by management to be superior to most of its competitors in the industry. This centralized information system has been fully integrated with all the divisions and facilities of Opta Minerals and includes software for financial reporting, manufacturing resource planning (MRP) and customer relationship management (CRM), adding significant operational value to the Company and helping to control the costs of operations.

Management of the Company

The Company has been successful in identifying, attracting and retaining a strong senior management team with relevant technical and industry expertise, as well complementary skills and experience from outside of the industry. Management of the Company has a proven track record of successfully integrating acquired companies, businesses and technologies, including the acquisitions of BEI, PECAL, Temisca, Virginia Materials, International Materials and Distribution A&L. In each case, the Company has been able to successfully integrate and derive synergies from these operations. As well, the Company has been able to successfully enter new markets by other means where attractive acquisition opportunities do not exist. For example, the Company purchased certain underutilized assets in New Orleans, Louisiana in 1997 and in Hardeeville, South Carolina in 2004 and improved and vastly expanded operations around them. Further, the Company constructed a new production facility in Baltimore, Maryland in 2004. The Company believes that the strength of its senior management team is a key factor that will enable the Company to implement its growth strategy and achieve its business objectives.

Suppliers

Opta Minerals purchases raw materials and resale products from approximately 850 suppliers. While the Company has several alternative sources of supply for many of the inputs it requires, it also has several key supplier relationships. The Company utilizes a number of exclusively sourced raw materials which provide high-quality and highly effective products including specular hematite, clays, beach and rock garnets, chromites and industrial specialty sands. The Company believes that it maintains good relationships with all of its key suppliers.

The Company obtains its key abrasive raw materials such as coal slag, copper slag, nickel slag, specular hematite and garnet, primarily from Canadian and U.S. mines and a U.S. power plant. EbonyGrit, a product produced from copper slag is supplied exclusively by a Canadian mining and refining company. Specular hematite reserves at the current mine supplier are estimated to be sufficient to supply the Company's needs for many years. BlackBlast, a product produced from coal slag is supplied on an exclusive basis by a U.S. power plant. The Company produces industrial garnet derived from a waste mining stream at its Keeseville, New York facility. In addition, the Company has an exclusive agreement with a supplier in China to market its garnet in North America.

Customers

The Company has a diversified customer base located primarily in Eastern Canada and the Eastern and Southeastern United States. The Company currently services approximately 2,000 customers with the largest customer representing less than 5% of total revenues and the ten largest customers representing, in aggregate, approximately 30% of the Company's total revenues for the period ended September 30, 2004. In the first nine months of 2004, approximately 40.4% of the Company's sales were to customers located in the United States, 59.2% to customers located in Canada and 0.4% to customers located outside of North America.

Sales and Marketing

Opta Minerals primarily sells its products and services through its own direct sales force of eleven employees located at the Company's Waterdown, Lachine, Drummondville, St. 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.

Technical Support

Technical support is available through the Company's sales, marketing and quality assurance personnel who possess extensive knowledge of mineral related products and industrial processes. The Company's sales, marketing and quality assurance personnel are experienced professionals from the steel, foundry, abrasives blasting, environmental and other related industries. The Company supports its product lines with highly skilled, bilingual engineers in the sales and marketing group who are adept at finding appropriate solutions for the customer.

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.; Temisca Inc.; and Distribution A&L — 9017-0382 Québec Inc.

The Company markets certain of its abrasive products under the brand names Barshot (specular hematite), BlackBlast (coal slag), EconoBlast (glass cullet), EbonyGrit (copper 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 exclusive right to produce and sell the patented material and to use the "Crystalgrit" trade-mark in Ontario, Quebec and certain U.S. states, as well as the non-exclusive right for the balance of 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.

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, 2004 the Company had 101 employees including eleven employees in sales and marketing, eleven in corporate administration and finance, eight in customer service, seven in engineering and plant management, four in research and development and quality control, three in purchasing and the remainder in production. This also includes ten seasonal employees for work related to the Company's quarry operations in St. Bruno de Guigues, Québec.

The Company is a party to a collective agreement with the Teamsters Local Union No. 879 covering 15 employees in Waterdown, Ontario. The current three-year agreement expires in June 2005. Management of the Company considers relations with the union to be excellent. The Company has never experienced a labour disruption or work stoppage.

From a human resources perspective, the Company's objective is to build and retain a motivated, entrepreneurial, highly skilled and dedicated workforce. The Company attempts to achieve this objective through its stock option and

share purchase plans, which provide employees with the opportunity to be shareholders and to participate in the success of the Company. See “Options to Purchase Securities” and “Employee Stock Purchase Plan”.

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 and 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.

USE OF PROCEEDS

Opta Minerals expects to receive \$15,320,000 in net proceeds from the Offering, after deducting fees payable to the Underwriters of \$1,080,000 and the estimated expenses of the Offering of \$1,600,000. If the Over-Allotment Option is exercised in full, Opta Minerals expects to receive an aggregate of \$17,012,000 in net proceeds, after deducting fees payable to the Underwriters of \$1,188,000 and the estimated expenses of the Offering.

The Company intends to use the net proceeds from the Offering primarily for strategic acquisitions of, or investments in, new products, technologies, and businesses that expand or complement Opta Minerals’ business and for general corporate purposes. The Company also intends to use approximately \$5,000,000 of the net proceeds of the Offering to repay a portion of certain intercompany loans made by SunOpta to the Company to fund general working capital requirements, capital expansions and acquisitions while the Company operated as an independent operating division of SunOpta prior to the completion of the Reorganization. See “Reorganization”. The Company presently has no agreements or commitments with respect to any prospective acquisitions or investments.

While the Company intends to use funds available to it from the Offering as stated above, circumstances may arise where a reallocation of funds is necessary. It is also likely that the funds will not be fully deployed for a period following the closing of the Offering. See “Risk Factors — Investment Risks”. The net proceeds of the Offering will be invested by and at the discretion of the Board of Directors, until used in accordance with the investment policy of the Company. The investment policy provides that Opta Minerals’ excess cash must be invested with the primary objective of maintaining safety of principal and providing adequate liquidity to meet all current payment obligations and future planned capital expenditures of the Company. Opta Minerals’ investment policy prohibits the Company from engaging in any investment activity that would be considered speculative.

DIVIDENDS

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.

SELECTED FINANCIAL INFORMATION

The following is a summary of financial information for the periods indicated. The selected financial information for the years ended December 31, 2003, 2002, and 2001 has been derived from the audited combined financial statements appearing elsewhere in this prospectus. The selected financial information for the nine month periods ended September 30, 2004 and 2003 has been derived from the unaudited combined financial statements appearing elsewhere in this prospectus. The following summary financial information should be read in conjunction with the combined financial statements and related notes, and with "Management's Discussion and Analysis" included in this prospectus.

The combined financial statements for the nine month periods ended September 30, 2004 and 2003 include all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of the financial position and results of operations as at that date and for those periods. The Company believes that the unaudited combined financial statements contained in this prospectus have been prepared on the same basis as the audited combined financial statements contained in this prospectus.

The combined financial statements presented in this prospectus have been "carved out" from the consolidated financial statements of SunOpta. The combined financial statements include the accounts of Opta Minerals, a division of SunOpta, Virginia Materials, International Materials, Temisca, Distribution A&L and 1108176 Ontario Limited, all of which are currently, and will be up to the completion of the Reorganization, divisions or wholly-owned subsidiaries of SunOpta (and which collectively comprise the Company). See "Development of the Business".

Nine Months Ended September 30,		Year Ended December 31,		
2004	2003	2003	2002	2001
(unaudited)				
(expressed in thousands of Canadian dollars)				

Income Statement Data

Revenue

Manufacturing & Distribution Operations	30,170	24,973	32,884	36,688	29,224
St. Bruno de Guigues Quarry Operations	<u>1,652</u>	<u>1,518</u>	<u>1,897</u>	<u>1,832</u>	<u>1,833</u>
Total revenue	31,822	26,491	34,781	38,520	31,057
Gross profit	7,192	5,615	7,175	8,689	4,974
<i>Gross margin %</i>	22.6	21.2	20.6	22.6	16.0
Selling, general and administrative expenses	<u>2,854</u>	<u>2,529</u>	<u>3,816</u>	<u>3,866</u>	<u>3,578</u>
Earnings before the following:	4,338	3,086	3,359	4,823	1,396
Interest expense	310	395	591	470	427
Interest and other (income) expense	200	(192)	(140)	(14)	121
Foreign exchange loss (gain)	<u>(73)</u>	<u>78</u>	<u>67</u>	<u>44</u>	<u>(19)</u>
Earnings before income taxes	3,901	2,805	2,841	4,323	867
Provision for income taxes	<u>1,416</u>	<u>1,043</u>	<u>1,058</u>	<u>1,570</u>	<u>380</u>
Net earnings for the period	<u><u>2,485</u></u>	<u><u>1,762</u></u>	<u><u>1,783</u></u>	<u><u>2,753</u></u>	<u><u>487</u></u>

The following table reconciles net earnings to EBIT(1)

	Nine Months Ended		Year Ended December 31,		
	September 30, 2004	2003	2003	2002	2001
	(unaudited)				
	(expressed in thousands of Canadian dollars)				
Net earnings	2,485	1,762	1,783	2,753	487
Interest expense	310	395	591	470	427
Provision for income taxes	1,416	1,043	1,058	1,570	380
EBIT(1)	<u>4,211</u>	<u>3,200</u>	<u>3,432</u>	<u>4,793</u>	<u>1,294</u>

Notes:

- (1) The term "EBIT" refers to earnings before deducting interest expense and provision for income taxes. The Company believes that EBIT is useful supplemental information as it provides an indication of the results generated by the Company's main business activities prior to taking into consideration how those activities are financed and taxed. EBIT is not a recognized measure under Canadian GAAP, and accordingly investors are cautioned that EBIT should not be construed as an alternative to net earnings or loss determined in accordance with Canadian GAAP as an indicator of the financial performance of the Company or as a measure of the Company's liquidity and cash flows. The Company's method of calculating EBIT may differ from other issuers and, accordingly, EBIT may not be comparable to similar measures presented by other issuers.

	As at	As at December 31,	
	September 30, 2004	2003	2002
	(unaudited)		
	(expressed in thousands of Canadian dollars)		
Balance Sheet Data			
Cash and cash equivalents	924	536	694
Working capital (excluding amounts due to SunOpta and affiliates)	13,465	10,649	6,909
Total assets	37,488	34,345	35,258
Long-term debt & preference shares (including current portion)	505	515	998
Due to parent and affiliates	17,037	16,516	15,621
Divisional equity	15,087	12,843	11,640

Quarterly Financial Information

The following table sets out selected financial information for each of the nine quarters ended September 30, 2004. In the opinion of management, this information has been prepared on the same basis as the audited combined financial statements appearing elsewhere in this prospectus. Only normal recurring adjustments have been included in the amounts stated below to present fairly the unaudited quarterly results. The operating results for any quarter should not be relied upon as any indication of results for any future periods.

	Quarters Ended								
	Sept 30, 2004	June 30, 2004	March 31, 2004	Dec 31, 2003	Sept 30, 2003	June 30, 2003	March 31, 2003	Dec 31, 2002	Sept 30, 2002
	(unaudited)								
	(expressed in thousands of Canadian dollars)								
Revenue	10,545	12,549	8,728	8,290	8,958	9,386	8,147	9,418	10,429
EBITDA(1)	1,608	2,636	888	543	1,525	1,683	1,014	1,050	2,226
Net earnings for the period	838	1,332	315	21	635	773	354	373	1,119

The following table reconciles net earnings for the period to EBITDA⁽¹⁾.

	Quarters Ended								
	Sept 30, 2004	June 30, 2004	March 31, 2004	Dec 31, 2003	Sept 30, 2003	June 30, 2003	March 31, 2003	Dec 31, 2002	Sept 30, 2002
	(unaudited)								
	(expressed in thousands of Canadian dollars)								
Net earnings for the period	838	1,332	315	21	635	773	354	373	1,119
Interest expense	65	152	93	196	132	127	136	145	124
Provision for income taxes	408	816	192	15	376	458	209	213	639
Depreciation and amortization	297	336	288	311	382	325	315	319	344
EBITDA ⁽¹⁾	<u>1,608</u>	<u>2,636</u>	<u>888</u>	<u>543</u>	<u>1,525</u>	<u>1,683</u>	<u>1,014</u>	<u>1,050</u>	<u>2,226</u>

Notes:

- (1) The term ‘‘EBITDA’’ refers to earnings before deducting interest expense, provision for income taxes, depreciation and amortization. The Company believes that EBITDA is useful supplemental information as it provides an indication of the results generated by the Company’s main business activities prior to taking into consideration how those activities are financed and taxed and also prior to taking into consideration asset depreciation. EBITDA is not a recognized measure under Canadian GAAP, and accordingly investors are cautioned that EBITDA should not be construed as an alternative to net earnings or loss determined in accordance with Canadian GAAP as an indicator of the financial performance of the Company or as a measure of the Company’s liquidity and cash flows. The Company’s method of calculating EBITDA may differ from other issuers and, accordingly, EBITDA may not be comparable to similar measures presented by other issuers.

MANAGEMENT’S DISCUSSION AND ANALYSIS

The following discussion and analysis should be read in conjunction with the selected financial information and the combined financial statements and the accompanying notes appearing elsewhere in this prospectus. Certain information included herein is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See ‘‘Forward-Looking Statements’’ and ‘‘Risk Factors’’.

Overview

Management believes that the Company’s outlook for the future is positive with future revenues and earnings growth being driven by a combination of factors including: increased sales of existing product lines, the introduction of new product lines, the entry into new markets via product expansion and/or strategic acquisitions and a continued focus on operating costs. The Company operates in two reportable segments, namely, Manufacturing & Distribution Operations and St. Bruno de Guigues Quarry Operations.

The Manufacturing & Distribution Operations process, distribute and recycle silica-free abrasives and other industrial minerals for a variety of operations, including: (i) silica free abrasives for shipbuilding and repair, blast media on steel bridges, waterjet cutting applications, restoring steel surfaces, finishing auto parts and numerous other applications; and (ii) industrial and mineral clays for the foundry industry for green sand moulding and for the brick industry.

The St. Bruno de Guigues Quarry Operations extract, process and distribute high quality sands that are in turn used for: filtration media for pools, as well as municipal and industrial water filtration systems, additives to exterior finishings, golf bunkers and construction and home renovation.

The North American marketplace for silica free abrasives and other industrial minerals is currently fragmented with no single dominant player. The Company intends to become a dominant supplier of silica free abrasives and other industrial minerals with a wide product line and broad geographic distribution. As part of this strategy the Company acquired Distribution A&L in April 2004, a Company which specializes in the distribution of specialty abrasives. Distribution A&L has provided the Company with the ability to focus on smaller markets through a network of selling professionals as well as opening new markets in the industrial, automotive and pool filtration industries. The Company also acquired an abrasive facility in Hardeeville, South Carolina in the second quarter of 2004 and recently completed construction of an additional abrasives facility in Baltimore, Maryland. Both facilities further increase the Company’s exposure to the United States East Coast market and the Company’s ability to cost effectively service these markets.

The Company believes that the current market landscape presents additional strategic acquisition opportunities as well as opportunities to continue to broaden its product lines with current and new customers.

The Company's revenues have grown from \$31,057,000 in 2001 to \$34,781,000 in 2003, and have shown continued improvement for the first nine months of 2004 at \$31,822,000. Approximately 57.0% of the Company's revenues and a significant portion of its expenses are derived in U.S. dollars. Given the significant change in exchange rates from 2001 to September 30, 2004 (CDN\$1.5585 = US\$1.00 average in 2001 compared to CDN\$1.2616 = US\$1.00 on September 30, 2004), currency fluctuations have had an adverse effect on revenue and profit growth when converting from U.S. dollars. Management believes that revenues will increase in the future based on the Company's strategic objectives as noted above.

Gross margins have increased from 16.0% in 2001 to 22.6% for the nine months ended September 30, 2004. Management believes that opportunities exist to continue to improve the margin rate in the future due to a number of factors including: establishing or acquiring regional production facilities which reduces transportation costs, continued focus on value-added new products and product lines and expanding throughput at current facilities. Gross margins are also influenced by changes in current product mix, changes in revenue percentages by geographic location, the movement in the Canadian dollar relative to the U.S. dollar and competitive pricing pressures and pricing opportunities.

Results of Operations

Nine Months Ended September 30, 2004 compared to the Nine Months Ended September 30, 2003

Revenues of \$31,822,000 increased \$5,331,000 or 20.1% for the nine month period ended September 30, 2004 compared to the same period in 2003. Revenues within the Manufacturing & Distribution Operations increased by \$5,197,000 or 20.8% to \$30,170,000 compared to \$24,973,000. This occurred despite a \$639,000 decline in the segment's revenues as a result of unfavourable foreign exchange movement between U.S. and Canadian currency. \$2,451,000 of the increase in revenues is a result of increased abrasives sales at the Company's Virginia and Louisiana facilities due to increased ship cleaning and repair activity. Revenues from the acquisition of Distribution A&L in the nine months ended September 30, 2004 accounted for approximately \$1,431,000 of the increase, while revenues at the Waterdown and Lachine locations increased by \$1,794,000 due primarily to an increase in bridge cleaning and foundry revenues. Increases at all other locations of \$160,000, were due to a general improvement in market conditions within the respective industries. Revenues within the St. Bruno de Guigues Quarry Operations increased by \$134,000 to \$1,652,000.

Gross margins increased by \$1,577,000 to \$7,192,000 for the nine months ended September 30, 2004 compared to \$5,615,000 for the nine months ended September 30, 2003. Virginia's and Louisiana's gross margins increased by \$1,091,000, principally due to increased revenues and the corresponding increase on margin rates due to improved fixed overhead absorption. The acquisition of Distribution A&L contributed \$239,000 to gross margins, while margins at the Waterdown and Lachine locations increased by \$339,000. Margins pertaining to the St. Bruno de Guigues Quarry Operations decreased \$72,000 mainly as a result of increased fuel costs and incremental repairs and maintenance. Margins at all other locations remained constant when compared to 2003.

Selling, general and administrative expenses increased \$325,000 or 12.9% compared to the nine months ended September 30, 2003. Approximately \$136,000 of this increase was due to the acquisition of Distribution A&L. The remaining increase was a result of start-up costs for the Company's Baltimore and Hardeeville locations and employee related restructuring and incentive program costs.

EBIT for the nine months ended September 30, 2004 was \$4,211,000 compared to \$3,200,000 for the nine months ended September 30, 2003. EBIT for the Manufacturing & Distribution Operations increased by \$1,139,000 to \$3,882,000 when compared to the same period in 2003. The St. Bruno de Guigues Quarry Operations had an EBIT of \$329,000 for the nine months ended September 30, 2004 compared to \$457,000 in 2003.

The effective income tax rate for the nine months ended September 30, 2004 was 36.3% compared to 37.2% for the comparable period in 2003. The increase was due to an increase in U.S. based profits as the U.S. statutory income tax rate is slightly higher than the Canadian statutory rate.

Net earnings for the nine months ended September 30, 2004 of \$2,485,000 represented an increase of 41.0% compared to the nine months ended September 30, 2003, due to the factors noted above.

Year Ended December 31, 2003 compared to the Year Ended December 31, 2002

The Company had revenues of \$34,781,000 in 2003 representing a decline of \$3,739,000 in comparison to 2002. The Manufacturing & Distribution Operations declined by \$3,804,000, \$1,066,000 of which related to unfavorable foreign exchange movements between the Canadian and the U.S. dollar (from an average of CDN\$1.5704 = US\$1.00 in 2002 to an average of CDN\$1.4007 = US\$1.00 in 2003). Further, revenues at the Company's Ontario and Virginia facilities for the year ended December 31, 2003 were lower by approximately \$1,651,000 and \$1,324,000, respectively, compared to the year ended December 31, 2002, offset by a \$237,000 increase at all other locations. The decline at Waterdown was principally the result of reduced sales to the foundry industry, due to weak economic conditions in the industrial sectors and reduced recycling activity. The decline at Norfolk was solely due to a reduction in the average number of U.S. Navy vessels in port for repairs and cleaning in 2003. Revenues for the St. Bruno de Guigues Quarry Operations increased by \$65,000.

Gross margins were 20.6% of revenue for the year ended December 31, 2003 compared to 22.6% of revenue in 2002. Gross margins within the Manufacturing & Distribution Operations were 19.6% of revenue in 2003 compared to 21.6% of revenue in 2002. Margins were affected by a reduction in revenues at Virginia, as this location has a higher gross margin rate than other locations. Margins for the St. Bruno de Guigues Quarry Operations declined by 4.3% from 2002 to 37.6% of revenues in 2003. 2002 gross margins were unusually high due to the profitable but not recurring sale of byproducts obtained as part of the St. Bruno de Guigues acquisition.

Selling, general and administration remained consistent between the two years.

The increase in interest expense was largely due to an increase in interest paid to SunOpta and affiliates due to changes in debt terms between SunOpta and affiliates and the Company. Interest and other income of \$140,000 for the year ended December 31, 2003 included a gain on sale of excess land.

Foreign exchange losses in both years were due to the continued appreciation of the Canadian dollar compared to the U.S. dollar as the Canadian divisions hold net working capital assets (U.S. dollar accounts receivable less U.S. dollar accounts payable).

EBIT for the Manufacturing & Distribution Operations was \$3,009,000 for the year ended December 31, 2003 compared to \$4,181,000 for the year ended December 31, 2002. Lower EBIT within the segment was a result of: depreciation of the U.S. dollar compared to the Canadian dollar, lower sales at the Ontario and Virginia locations and the effect of lower gross margins. EBIT for the St. Bruno de Guigues Quarry Operations was \$423,000 for the year ended December 31, 2003 compared to \$612,000 for 2002 as a result of the non recurring margin of byproducts sold in 2002.

The effective income tax rate for 2003 was 37.2% compared to 36.3% in 2002. The difference in effective income tax rates was primarily due to an increase in substantially enacted rates in Ontario in 2003.

Net earnings were \$1,783,000 for the year ended December 31, 2003 compared to \$2,753,000 for the year ended December 31, 2002, a decline of \$970,000 due to lower revenues and gross margins as described above.

Year Ended December 31, 2002 compared to the Year Ended December 31, 2001

The Company had revenues of \$38,520,000 in 2002, representing an increase of \$7,463,000 or 24.0% compared to 2001. Revenues within the Manufacturing & Distribution Operations increased \$7,464,000 due to the acquisition of Virginia Materials and International Materials with incremental full year sales in 2002 of \$8,503,000. This increase was partially offset by reduced sales at the Company's Waterdown location of \$949,000, which was due in part to weak market and economic conditions in the Canadian steel and foundry businesses in 2001, combined with the economic impact of the September 11, 2001 tragedy on the demand for abrasives due to delays in numerous ship repair and bridge cleaning projects. Revenues within the St. Bruno de Guigues Quarry Operations were \$1,832,000 for the year ended December 31, 2002 as compared to \$1,833,000 for the year ended December 31, 2001.

Gross margins were 22.6% of revenues for the year ended December 31, 2002 compared to 16.0% of revenues in the prior year. Gross margins within the Manufacturing & Distribution Operations were 21.6% of revenue in 2002 compared to 15.0% of revenue in 2001. Margins increased due to the acquisition of Virginia Materials which has historically higher margins than other operations within the segment. Margins at the Waterdown locations were 1% higher in 2002. Both 2002 and the fourth quarter of 2001 were affected by the September 11, 2001 tragedy and the impact on abrasive sales. Margins for the St. Bruno de Guigues Quarry Operations were 41.9% in 2002, compared to 2001 margins which were 31.9%.

Selling, general and administration expenses increased by \$288,000 in 2002 to \$3,866,000, due to a \$711,000 increase with the full year results of Virginia Materials and International Materials in 2002, partially offset by cost reductions including \$73,000 related to the change in accounting policy for goodwill amortization as the Company adopted the CICA handbook section 3062 on January 1, 2002.

Interest expense increased \$43,000 to \$470,000 in the year 2002 compared to 2001. However, a substantial portion of the interest paid in 2002 was to SunOpta and affiliates, compared to 2001 where all interest expense was paid to third parties. Interest and other income (expense) for the year ended December 31, 2001 includes an \$89,000 cost sharing expense related to site restoration at the St. Bruno de Guigues property, related to a small fuel spill which occurred prior to the Company acquiring the property.

EBIT for the Manufacturing & Distribution Operations was \$4,181,000 for the year ended December 31, 2002 compared to \$951,000 for the year ended December 31, 2001. Increased EBIT within the segment was a result of: the full year results of Virginia Materials and International Materials for 2002 and cost reductions affecting both margin and selling general and administrative expenses. EBIT for the St. Bruno de Guigues Quarry Operations was \$612,000 for the year ended December 31, 2002 compared to \$343,000 for 2001, due in most part to the one-time gross margin improvement noted above.

The effective income tax rate for 2002 was 36.3% as compared to 43.8% in 2001. The higher 2001 rate was due to the relatively low EBIT during the year and the effect the non-deductible expenses had on the rate.

Net earnings were \$2,753,000 for the year ended December 31, 2002 compared to \$487,000 for the year ended December 31, 2001, an increase of \$2,266,000 due to the inclusion of a full years results of the Virginia Materials acquisition and improved gross margins.

Liquidity and Capital Resources

As at September 30, 2004, the Company had \$505,000 in long-term debt and preferred shares owing to third parties (\$327,000 as at December 31, 2004). These liabilities are expected to be substantially paid off in the next two years and relate solely to debt assumed or incurred through acquisitions made by the Company. The Company historically has obtained its financing through cash from operations and advances from SunOpta and its affiliates. Historically, the Company participated in a consolidated treasury management system with SunOpta. As at September 30, 2004 an aggregate of \$17,037,000 was owed by the Company to SunOpta and certain of its affiliates (\$15,600,000 as at December 31, 2004). It is the Company's intention to repay part of the amounts due to SunOpta and its affiliates from the proceeds of the Offering. Upon completion of the Offering, the Company will discontinue its participation in consolidated treasury management with SunOpta. The Company has obtained a financing term sheet for a \$5,000,000 revolving operating facility and a \$7,000,000 revolving term facility. Capital resources will be available from cash from the Offering, cash available from the new credit facilities and cash from operations. These funds are expected to be sufficient to grow the Company internally as well as fund certain targeted acquisitions.

In order to finance significant acquisitions, the Company may need additional sources of cash which could be obtained through a combination of additional bank or subordinated financing, a private or public share offering or the issuance of shares in relation to an acquisition.

As at December 31, 2004, the Company had the following contractual obligations over the next five fiscal years and thereafter:

<u>Contractual Obligations</u>	<u>Payments Due by Period</u>						
	<u>Total</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Thereafter</u>
Long Term Debt	188	173	11	4	—	—	—
Preferred Shares	139	108	31	—	—	—	—
Operating leases	3,710	719	619	591	556	521	704
Due to parent and affiliates(1)	15,600	5,000	2,650	2,650	2,650	2,650	—

(1) The Company intends to repay \$5.0 million due to parent and affiliates on or prior to February 28, 2005 using a portion of the net proceeds of the Offering. The remaining balance will be repaid in four equal installments on February 28, 2006, 2007, 2008 and 2009, except that 25% of any net proceeds received by the Company upon the exercise of the Warrants will be paid immediately to the parent or affiliate, as the case may be, to reduce the outstanding balance owing to such parent or affiliate and the remaining outstanding balance due on each of the then remaining specified repayment dates will be reduced ratably.

Nine Months Ended September 30, 2004 compared to September 30, 2003

Cash flows from operating activities for the nine months ended September 30, 2004 were \$1,261,000 compared to \$635,000 for the comparable period in 2003. The increase is due primarily to increased earnings.

Cash used in investing activities was \$1,417,000 for the nine months ended September 30, 2004, compared to \$1,147,000 for the comparable period in 2003. During the nine months ended September 30, 2004, the Company purchased property, plant & equipment relating to the commissioning of the Baltimore, Maryland location and the acquisition of the facilities in Hardeeville, South Carolina. The Company also completed the acquisition of the shares of Distribution A&L for a net amount of \$500,000. This was offset by a cash inflow of proceeds from the sale of land and building from the Hamilton, Ontario facility of approximately \$1,325,000.

Cash from financing activities was \$594,000 for the nine months ended September 30, 2004, compared to \$510,000 for the same period in 2003. Financing activities for the nine months ended September 30, 2004, primarily related to redemption of preferred shares of subsidiary companies and the payment of deferred purchase consideration relating to prior acquisitions. For the nine months ended September 30, 2003, the majority of the use in cash related to the repayment of deferred purchase consideration relating to the acquisition of Virginia Materials of \$639,000 and the purchase and redemption of preferred shares of subsidiary companies totaling \$253,000.

Year Ended December 31, 2003 compared to Year Ended December 31, 2002

Cash flows from operating activities for the year ended December 31, 2003 were \$1,083,000 compared to \$3,172,000 for the year ended December 31, 2002. The decrease was due to lower earnings and an increased investment in working capital, particularly in inventory and accounts receivable compared to 2002. Inventory for both years has consumed significant cash, as the Company assumed limited inventory at the time of acquisition of Virginia Materials and has since increased inventory amounts to normal carrying levels.

Cash used in investing activities was \$1,571,000 for the year ended December 31, 2003 compared to \$3,223,000 for the year ended December 31, 2002. During 2002 the Company paid \$1,659,000 of contingent consideration related to the acquisition of Virginia Materials and purchased the remaining 49% of International Materials.

Cash inflow from financing activities was \$408,000 for the year ended December 31, 2003 compared to \$819,000 for the year ended December 31, 2002. Cash advances from SunOpta and affiliates of \$1,975,000 was partially offset by cash used for the repayment of deferred purchase consideration relating to the acquisition of Virginia Materials in 2003 of \$1,069,000 and payment of debt and preferred shares of \$498,000. In 2002 as part of a major refinancing by SunOpta, the Company repaid all of its bank debt and operating lines, and received funding from SunOpta and affiliates. The Company also paid \$1,542,000 in deferred purchase consideration relating to the acquisition of Virginia Materials.

Year Ended December 31, 2002 compared to Year Ended December 31, 2001

Cash flows from operating activities for the year ended December 31, 2002 were \$3,172,000 compared to \$2,840,000 for the year ended December 31, 2001. The increase was due to higher earnings partially offset by an increased investment in working capital as noted above.

Cash used in investing activities was \$3,223,000 for the year ended December 31, 2002 compared to \$5,062,000 for the year ended December 31, 2001. During 2001 the Company paid \$2,903,000 to acquire Virginia Materials and 51% of International Materials. Capital purchases were higher in 2001 compared to 2002 due to the purchase of the Lachine warehouse.

Cash inflow from financing activities was \$819,000 for the year ended December 31, 2002 compared to \$2,070,000 for the year ended December 31, 2001. In 2002, as part of a major refinancing by SunOpta, the Company repaid all of its bank debt and operating lines, and received funding from SunOpta and affiliates. The Company also paid \$1,542,000 in deferred purchase consideration relating to the acquisition of Virginia Materials. In 2001 the Company obtained advances from SunOpta and affiliates to purchase Virginia Materials and to repay external debt.

Working Capital

The Waterdown and St. Bruno de Guigues locations are seasonal and slow down during the fourth and first quarters, as a result of decreased use of the products produced at these facilities during winter months. Due to this seasonality the Company's investment in working capital declines starting in the fourth quarter through the first quarter and increases again in the second quarter.

Many of the products received are transported by ship. In order to economize on freight costs certain products are purchased in quantities that will take upwards of a year to sell. These purchases can be significant and have a material effect on working capital needs.

The Company has a working capital deficit as the amounts due to SunOpta and affiliates have been classified as current because they are due on demand. It is the Company's intention that a portion of these amounts will be paid off using the proceeds of the Offering. Excluding the amounts due to SunOpta and affiliates, the Company has positive working capital of \$13,465,000 as at September 30, 2004.

Transactions with Related Parties

SunOpta charges management fees to the Company which include direct costs incurred by SunOpta for professional services and insurance as well as certain allocations for accounting, treasury and other administrative services provided by SunOpta. SunOpta or affiliates have also charged interest on certain debt of the Company as disclosed within notes 7 and 8 of the combined financial statements. In the future, SunOpta will only charge the Company for direct costs and fees related to specific services provided at fair market value.

Following completion of the Offering, certain amounts due to SunOpta and its affiliates will be repaid out of the proceeds of the Offering. Remaining amounts owing to SunOpta and its affiliates are expected to be repaid on or before December 31, 2006 in periodic installments. The debt owed by the Company to SunOpta and its affiliates will be subordinate to certain bank debt and will bear interest at market rates.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with Canadian GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, related revenues and expenses, and disclosure of gain and loss contingencies at the date of the financial statements. The estimates and assumptions made require judgment on the part of management and are based on the Company's historical experience and various other factors that are believed to be reasonable in the circumstances. Management continually evaluates the information that forms the basis of its estimates and assumptions as the business of the Company and the business environment generally changes. The use of estimates is pervasive throughout the Company's financial statements. The following are the accounting policies and estimates which management believes to be most important to the business of the Company.

Revenue Recognition

Revenue from the Company's operations are recognized when the following four criteria have been satisfied:

- persuasive evidence of an arrangement exists, such as an executed service agreement or other relevant documentation;
- when services are delivered. For the sale of abrasives and industrial minerals, the Company considers services to be delivered upon shipment of materials and transfer of title to the customer. For recycling activities,

services are considered to be delivered after materials have been processed and the resulting non-hazardous recycled material is either sold or shipped to third parties or is disposed of;

- the price to the customer is either fixed or determinable; and
- collectability is reasonably assured.

Accounts Receivable

The Company's accounts receivable primarily includes amounts due from its customers. The carrying value of each account is carefully monitored with a view to assessing the likelihood of collection. An allowance for doubtful accounts is provided for an estimate of losses that could result from customers defaulting on their obligation to the Company. In assessing the amount of reserve required, a number of factors are considered including the age of the account, the credit worthiness of the customer, payment terms, the customer's historical payment history and general economic conditions. Because the amount of the reserve is an estimate, the actual amount collected could differ from the carrying value of the receivable.

Inventory

Inventory is the Company's largest current asset. Inventories are valued at the lower of cost, valued on a first-in, first-out basis, or estimated net realizable value. The Company assesses the net realizable value of its inventory on a regular basis by reviewing, on an item-by-item basis, the realizable value of its inventory, net of anticipated selling costs. If it is management's judgment that the selling price of an item must be lowered below its cost in order for it to be sold, then the carrying value of the related inventory is written down to realizable value. A number of factors are taken into consideration in assessing realizable value including the quantity on hand, age and expiration, historical sales, consumer demand and preferences. Depending on market conditions, the actual amount received on sale could differ from management's estimate.

Impairment of Goodwill

In accordance with section 3062 of the Canadian Institute of Chartered Accountants Handbook, the Company evaluates its goodwill for impairment on an annual basis or whenever indicators of impairment exist. Section 3062 requires that if the carrying value of a reporting unit for which goodwill exists exceeds its fair value, an impairment loss is recognized to the extent that the carrying value of the reporting unit goodwill exceeds the "implied fair value" of reporting unit goodwill.

As discussed in the notes to the combined financial statements, the Company has evaluated its goodwill for impairment as at December 31, 2003 and has determined that the fair value of the reporting units exceeds their carrying value, and as a result no impairment of goodwill has been recorded.

Income Taxes

The Company is liable for income taxes in the United States and Canada. In making an estimate of its income tax liability the Company must first make an assessment of which items of income and expense are taxable in a particular jurisdiction. This process involves a determination of the amount of taxes currently payable as well as the assessment of the effect of temporary timing differences resulting from different treatment of items for accounting and tax purposes. These differences in the timing of the recognition of income or the deductibility of expenses result in future tax balances that are recorded as assets or liabilities as the case may be on the Company's balance sheet. The Company also makes an estimate on the amount of valuation allowance to maintain relating to loss carry forwards and other balances that can be used to reduce future taxes payable.

As a division of SunOpta the Company has not historically been subject to taxes on a stand-alone basis. The Company's combined financial statements have been prepared with an estimated tax expense as though the Company was a stand-alone entity.

Recent Developments

Effective January 1, 2004, the Company adopted CICA Handbook section 3870, which requires the Company to record stock compensation expense on options granted to employees. The Company expects to record stock compensation expense on options granted to directors, officers and employees. Management does not expect that the adoption of section 3870 will have a material effect on its future results of operations.

Effective January 1, 2004, the Company adopted CICA Handbook section 1100 “Generally Accepted Accounting Principles” which establishes standards for financial reporting in accordance with GAAP, defines primary sources of GAAP and requires that an entity apply every relevant primary source. Since the Company believes it was already in full compliance with these standards, this new standard did not have an impact on the Company’s financial position.

Also effective January 1, 2004, the Company adopted CICA Handbook section 3110 “Asset Retirement Obligations”. This standard focuses on the recognition and measurement of liabilities related to legal obligations associated with the retirement of property, plant and equipment. Under this standard, these obligations are initially measured at fair value and subsequently adjusted for the accretion of discount and any changes in the underlying cash flows. The asset retirement cost is capitalized to the related asset and amortized into earnings in a systematic and rational basis. The Company believes that the new standard has an immaterial impact on the Company’s financial position.

Risks and Uncertainties

See “Risk Factors” for a discussion of the principal risks affecting the Company’s business.

DESCRIPTION OF SHARE CAPITAL AND SECURITIES DISTRIBUTED

After giving effect to the Reorganization, the Company will be authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares issuable in series, of which 12,000,000 Common Shares and no preferred shares will be issued and outstanding as of the closing of the Offering.

Units

Each Unit consists of one Common Share and one-half of one Warrant. Units are being offered at the Offering Price of \$4.00 per Unit.

Common Shares

The holders of the Common Shares are entitled to receive notice of, and to attend all annual and special meetings of the shareholders of the Company and to one vote in respect of each Common Share held at all such meetings. The holders of the Common Shares are entitled, at the discretion of the Board of Directors, to receive out of any or all profits or surplus of Opta Minerals properly available for the payment of dividends, any dividend declared by the Board of Directors and payable by Opta Minerals on the Common Shares. The holders of the Common Shares will participate ratably in any distribution of the assets of Opta Minerals upon the liquidation, dissolution or winding-up of Opta Minerals or other distribution of its assets among its shareholders for the purpose of winding up its affairs.

Preferred Shares

The Company is authorized to issue preferred shares. The holders of preferred shares are not entitled to receive notice of or to attend or vote at any meeting of shareholders, except as provided by applicable law. Preferred shares may be issued in one or more series and, with respect to the payment of dividends and the distribution of assets in the event that the Company is liquidated, dissolved or wound-up, rank prior to the Common Shares. The Company's Board of Directors has the authority to issue preferred shares in series and determine the price, number, designation, rights, privileges, restrictions and conditions, including dividend rights, of each series without any further vote or action by shareholders. The holders of preferred shares do not have pre-emptive rights to subscribe for any issue of securities of the Company. At this time, the Company has no plans to issue any preferred shares.

Warrants

The Warrants will be created and issued pursuant to the terms of a warrant indenture (the "Warrant Indenture") to be dated as of the Closing Date between the Company and Equity Transfer Services Inc. (the "Warrant Agent"), as warrant agent thereunder. Each Warrant will entitle the holder thereof to purchase one Common Share at a price of \$5.00 at any time prior to 5:00 p.m. (Toronto time) on the date which is two years following the Closing Date, after which time the Warrants will expire and be void and of no value. The Warrants will be issued in registered form under and be governed by the terms of the Warrant Indenture. The Company has appointed the principal transfer offices of the Warrant Agent in Toronto, Ontario as the location at which Warrants may be surrendered for exercise or transfer.

The following summary of certain provisions of the Warrant Indenture does not purport to be complete and is qualified in its entirety by reference to the provisions of the Warrant Indenture. Under the Warrant Indenture, the Company will be entitled to purchase in the market, by private contract or otherwise, all or any of the Warrants then outstanding, and any Warrants so purchased will be cancelled.

The Warrant Indenture will provide for adjustment in the number of Common Shares issuable upon the exercise of the Warrants and/or the exercise price per Common Share upon the occurrence of certain events, including:

- (i) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all or substantially all of the holders of the Common Shares as a stock dividend or other distribution (other than a "dividend paid in the ordinary course", as defined in the Warrant Indenture, or a distribution of Common Shares upon the exercise of the Warrants or pursuant to the exercise of directors, officers or employee stock options granted under the Company's stock option plans);
- (ii) the subdivision, redivision or change of the Common Shares into a greater number of shares;
- (iii) the reduction, combination or consolidation of the Common Shares into a lesser number of shares;
- (iv) the issuance to all or substantially all of the holders of the Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date

for such issuance, to subscribe for or purchase Common Shares, or securities exchangeable for or convertible into Common Shares, at a price per share to the holder (or at an exchange or conversion price per share) of less than 95% of the “current market price”, as defined in the Warrant Indenture, for the Common Shares on such record date; and

- (v) the issuance or distribution to all or substantially all of the holders of the Common Shares of shares of any class other than the Common Shares, rights, options or warrants to acquire Common Shares or securities exchangeable or convertible into Common Shares, of evidences of indebtedness or cash, securities or any property or other assets.

The Warrant Indenture will also provide for adjustment in the class and/or number of securities issuable upon the exercise of the Warrants and/or exercise price per security in the event of the following additional events: (1) reclassifications of the Common Shares; (2) consolidations, amalgamations, plans of arrangement or mergers of the Company with or into another entity (other than consolidations, amalgamations, plans of arrangement or mergers which do not result in any reclassification of the Common Shares or a change of the Common Shares into other shares); or (3) the transfer (other than to one of the Company’s subsidiaries) of the undertaking or assets of the Company as an entirety or substantially as an entirety to another Company or other entity.

No adjustment in the exercise price or the number of Common Shares purchasable upon the exercise of the Warrants will be required to be made unless the cumulative effect of such adjustment or adjustments would change the exercise price by at least 1% or the number of Common Shares purchasable upon exercise by at least one one-hundredth of a Common Share.

The Company will also covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, it will give notice to holders of Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Common Shares issuable upon exercise of the Warrants, at least 14 days prior to the record date or effective date, as the case may be, of such event.

No fractional Common Shares will be issuable upon the exercise of any Warrants. However, holders of Warrants will be entitled to a cash payment equal to the fair market value of any such fractional interest. Holders of Warrants will not have any voting or pre-emptive rights or any other rights which a holder of Common Shares would have.

From time to time, the Company and the Warrant Agent, without the consent of the holders of Warrants, may amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of Warrants. Any amendment or supplement to the Warrant Indenture that adversely affects the interests of the holders of the Warrants may only be made by “extraordinary resolution”, which is defined in the Warrant Indenture as a resolution either: (1) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing at least 10% of the aggregate number of the then outstanding Warrants and passed by the affirmative vote of holders of Warrants representing not less than 66²/₃% of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on the poll upon such resolution; or (2) adopted by an instrument in writing signed by the holders of Warrants representing not less than 66²/₃% of the aggregate number of all the then outstanding Warrants.

PRO FORMA CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company: (i) as at September 30, 2004 on a *pro forma* basis assuming the Company then existed; and (ii) as at January 31, 2005, after giving effect to the Reorganization and the issuance of 4,500,000 Units pursuant to this Offering (but not to the exercise of the Warrants, Over-Allotment Option, the Compensation Options or any options issued pursuant to the Company's Option Plan) and the proposed use of proceeds of the Offering. This table should be read in conjunction with the combined financial statements, and the respective notes thereto, appearing elsewhere in this prospectus.

<u>Designation</u>	<u>Authorized</u>	<u>As at September 30, 2004</u> (unaudited)	<u>As at January 31, 2005, after giving effect to the Reorganization and the Offering(5)</u> (unaudited)
Cash and Cash Equivalents		\$924,000	\$10,456,000
Long Term Debt and Preference Shares(1) . .		\$505,000	\$322,000
Shareholder Loans(2)		\$17,037,000	\$10,600,000
Capital Stock(3)(4)	Unlimited	\$100 (100 Common Shares)	\$15,320,100 (16,500,000 Common Shares)

Notes:

- (1) See also notes 9 and 10 to the combined audited financial statements for information concerning long term debt and preference shares. Except for payments made in accordance with the terms thereof, there have been no material changes in these amounts.
- (2) See also note 8 to the combined audited financial statements for information concerning this indebtedness, \$5,000,000 of which will be repaid from the proceeds of the Offering. See "Use of Proceeds". Subsequent to September 30, 2004, the Company repaid \$1,437,000 of this indebtedness.
- (3) In connection with the Reorganization, the Company proposes to issue 11,999,900 Common Shares to SunOpta (with no increase to its stated capital) in consideration of the transfer by SunOpta to the Company of all of its assets, certain liabilities and interests in certain subsidiaries which collectively comprise the Opta Minerals Group of SunOpta. See "Reorganization".
- (4) As of the date hereof, the Company has reserved 750,000 Common Shares for issuance under the Company's Option Plan, of which options to purchase 340,000 Common Shares in the aggregate have been granted. A further 500,000 Common Shares have been reserved for issuance under the Company's Employee Stock Purchase Plan, 135,000 Common Shares have been reserved for issuance upon exercise of the Compensation Options and 2,475,000 Common Shares have been reserved for issuance upon exercise of the Warrants (including Warrants issuable on exercise of Over-Allotment Option). See "Options to Purchase Securities", "Stock Purchase Plan" and "Plan of Distribution".
- (5) Without giving effect to the exercise of the Over-Allotment Option. In the event that the Over-Allotment Option is exercised in full, Cash and Cash Equivalents will be \$12,148,000, Long Term Debt will be \$322,000, Shareholder Loans will be \$10,600,000 and Common Shares will be \$17,012,100 (16,950,000 Common Shares).

Proposed Credit Facility

The Company intends to implement a financing strategy that will provide it with flexibility to appropriately manage its short-term cash needs and to fund future growth. The Company currently has a term sheet with a Canadian chartered bank that has committed to provide the Company with a operating facility of up to \$5.0 million and a term facility for up to \$7.0 million (collectively, the "Credit Facility"). The operating facility will consist of an extendable, one year committed revolving facility to finance the Company's general working capital requirements. The term facility will consist of a three year committed, reducing, revolving facility to assist with the financing of future acquisitions and capital expenditures. Each facility will bear issuance fees, interest or stamping fees, as applicable, at annual rates which will be dependent upon a variety of specified reference rates and then prevailing margins. Pursuant to the Credit Facility, security will be granted over all of the assets of the Company and its subsidiaries. The Credit Facility will be subject to customary terms and conditions for borrowers of this nature, including limits on incurring additional indebtedness, granting liens or selling assets without the consent of the lenders. It is anticipated that the Credit Facility will be in place early in 2005 and no amount is expected to be immediately drawn at that time.

OPTIONS TO PURCHASE SECURITIES

The following chart sets out information regarding outstanding options granted under the Company's stock option plan (the "Option Plan").

<u>Category</u>	<u>Year of Grant</u>	<u>Common Shares issuable under Options Granted(#)</u>	<u>Exercise Price(\$)</u>	<u>Expiry</u>
All executive officers and past executive officers of Opta Minerals (4 individuals in total)	2005	115,000	Offering Price	February 3, 2015 ⁽¹⁾
All directors and past directors (who are not also executive officers) of Opta Minerals (6 individuals in total)	2005	150,000	Offering Price	February 3, 2015 ⁽¹⁾
All other employees or past employees of <u>Opta Minerals</u> (11 individuals in total) . .	2005	75,000	Offering Price	February 3, 2015 ⁽¹⁾

Note:

(1) The options will vest over a period of four years, with 20% vesting immediately and 20% per annum thereafter.

Description of the Option Plan

On December 10, 2004, the Board of Directors of the Company adopted a stock option plan (the "Option Plan") to attract, retain, motivate and compensate persons who are integral for the growth and success of the Company. The Option Plan is administered by the Board of Directors of the Company. All of the powers exercisable by the Board of Directors under the Option Plan may, to the extent permitted by applicable law and as authorized by the Board of Directors, be exercised by a compensation committee of not less than three directors (a majority of which shall not be employees or senior officers of the Company) or by an independent consultant. As of the date hereof, a total of 750,000 Common Shares are reserved for issuance under the Option Plan.

The Option Plan provides for the grant of options to purchase Common Shares to eligible directors, officers, employees and consultants of the Company or any of its affiliates ("Participants"). The number of Common Shares issuable to insiders pursuant to options granted under the Option Plan, together with Common Shares issuable to insiders under any other share compensation arrangement, shall not: (i) exceed 10% of the number of Common Shares outstanding immediately prior to the grant of any such option; or (ii) result in the issuance to insiders, within a one-year period, of in excess of 10% of the number of Common Shares outstanding immediately prior to the grant of any such option. The number of Common Shares issuable to any insider and such insider's associates pursuant to options granted under the Option Plan, together with Common Shares issuable to such insider or such insider's associates under any other share compensation arrangement of the Corporation shall not, within a one year period, exceed 5% of the number of Common Shares outstanding immediately prior to the grant of any such option.

The Option Plan provides for flexible vesting, at the discretion of the Board of Directors. Under the Option Plan, the Board of Directors determines the term of any options granted, which shall not exceed 10 years from the date of grant. The expiration of any option will be accelerated if the Participant's employment or other relationship with the Company terminates. An optionee that ceases to be a Participant (for reasons other than termination for cause) has 60 days from the date of termination to exercise all existing vested options, including in the case of death of the Participant. The exercise price of an option is set by the Board of Directors at the time of grant and, once the Company is a reporting issuer and its Common Shares are traded on a recognized stock exchange, any exercise price set by the Board of Directors may not be less than the closing price of the Common Shares on such stock exchange on the trading day immediately preceding the date of grant.

The Option Plan further provides for the termination of options in connection with certain fundamental changes such as the dissolution, liquidation or merger of the Company, or in the event of a change of control of the Company and provides for accelerated vesting in such circumstances, at the discretion of the Board of Directors. Subject to the approval of any stock exchange on which the Company's securities are listed, the Board of Directors may suspend, amend or terminate the Option Plan. Any amendment of the Option Plan that would materially increase the number of Common Shares issuable under the Option Plan, or materially modify the requirements as to the eligibility for participation in the Option Plan, shall be effective only upon the approval of the shareholders of the Company. Any

material amendment to any provision of the Option Plan will be subject to any necessary approvals by the stock exchange upon which the Common Shares are then listed and any other regulatory body having jurisdiction over the securities of the Company.

STOCK PURCHASE PLAN

On December 10, 2004, the Company adopted an employee stock purchase plan (the “ESPP”), pursuant to which 500,000 Common Shares are reserved for issuance. The ESPP permits qualifying employees of the Company and its subsidiaries to purchase Common Shares from treasury at a discount to market price. Provided that the Common Shares are listed on a recognized stock exchange, “market price” is defined as the 5-day weighted average closing price of the Common Shares on such exchange. The maximum discount permitted under the ESPP is 15%. As of the date hereof, the discount is set at 10% less than market price.

Enrollment in the ESPP is voluntary. The ESPP is open to any employee of the Company or designated subsidiary of the Company who has been continuously employed for a period of six months. Each participant in the ESPP may contribute between 1% and 10% of salary during a payroll period. Contributions to the ESPP accumulate in the participant’s account and purchases under the ESPP are made at regularly scheduled quarterly intervals.

The Board of Directors may terminate or amend the ESPP at any time. The Board of Directors may not increase the discount above 15% or increase the number of shares reserved for issuance under the ESPP without shareholder consent.

PRIOR SALES

Except for 100 Common Shares issued on July 8, 2004 to SunOpta in connection with the incorporation of the Company, the Company has not issued any Common Shares in the 12 months preceding the date of this prospectus. Prior to the closing of the Offering, the Company intends to issue 11,999,900 Common Shares to SunOpta pursuant to the Reorganization in accordance with the terms of the Purchase Agreement. Except for Common Shares issuable pursuant to the Reorganization, the Offering (including the Warrants, Over-Allotment Option and Compensation Options), the Option Plan and the ESPP, the Company has no present intention to issue any other Common Shares.

PRINCIPAL SHAREHOLDERS

The following table shows the name and information about the securities of the Company directly or indirectly beneficially owned by each person or company who, as at the closing of the Offering, will own of record, or who, to the knowledge of the Company, will own beneficially, directly or indirectly, more than 10% of any class or series of voting securities of the Company.

<u>Name</u>	<u>Number of Common Shares of the Company Owned as of the Date Hereof</u>	<u>Number of Common Shares to be Owned Following the Completion of the Reorganization and After the Offering</u>	<u>Type of Ownership</u>	<u>Percentage of Common Shares Owned Before (and After) the Offering(1)</u>
SunOpta Inc.	100	12,000,000	Registered and Beneficial	100% (72.7%)

Notes:

(1) Prior to giving effect to the proposed gifting by SunOpta of 75,000 Common Shares, in aggregate, to officers and employees of the Company.

As of the date hereof, the directors and executive officers of the Company do not own, or exert direction or control over, any Common Shares. Immediately following the closing of the Offering, SunOpta intends to gift to officers and employees of the Company, in aggregate, 75,000 Common Shares, of which 25,000 Common Shares are expected to be distributed to officers of the Company. The number of Common Shares that the directors and executive officers of the Company will own, or exert direction or control over, immediately following the closing of the Offering and assuming completion of the proposed gifting of Common Shares by SunOpta will be 25,000 Common Shares.

Following the completion of the Reorganization and prior to the closing of the Offering, SunOpta, which employs certain of the Company's directors will beneficially own, directly or indirectly, a total of 12,000,000 Common Shares, representing 100% of the Common Shares. Immediately following the closing of the Offering but prior to giving effect to the transfers to officers and employees described above, SunOpta will beneficially own, 72.7% of the Common Shares. For restrictions on the transfer of these Common Shares, see "Plan of Distribution — Lock-up and Other Arrangements".

Historically, SunOpta charged management fees to the Company for direct costs incurred by SunOpta for professional services and insurance as well as certain allocations for accounting, treasury and other administrative services provided by SunOpta. In the future, SunOpta will only charge the Company for direct costs and fees related to specific services provided at fair market value.

DIRECTORS AND OFFICERS

The following table sets out, for each of the current directors and executive officers of the Company, and for each of the directors and executive officers to be elected or appointed prior to the closing of the Offering, 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.

<u>Name and Municipality of Residence</u>	<u>Position(s) with Opta Minerals</u>	<u>Principal Occupation</u>	<u>Director Since</u>
JEREMY KENDALL(2) Belfountain, Ontario	Chairman and Director	Chairman and Chief Executive Officer, SunOpta Inc.	July, 2004
DAVID KRUSE	Chief Executive Officer, President and Director	President and Chief Executive Officer, Opta Minerals	July, 2004
JAMES WILSON	Chief Financial Officer and Secretary	Chief Financial Officer and Secretary, Opta Minerals	N/A
DAVID RUMBLE	Vice President, Operations	Vice President, Operations, Opta Minerals	N/A
JACQUES DÉCARIE	Vice President, Sales and Marketing	Vice President, Sales and Marketing, Opta Minerals	N/A

<u>Name and Municipality of Residence</u>	<u>Position(s) with Opta Minerals</u>	<u>Principal Occupation</u>	<u>Director Since</u>
STEVEN BROMLEY Aurora, Ontario	Director	President and Chief Operating Officer, SunOpta Inc.	July, 2004
DONALD LOEB(2)(4) Toronto, Ontario	Director	Co-founder and Chairman of Avanti Properties Group	November, 2004
VICTOR HEPBURN(1)(2) Toronto, Ontario	Director	Consultant	November, 2004
ANTONIO TAVARES(1) Mississauga, Ontario	Director	Chief Executive Officer of Maple Lodge Farms Inc.	November, 2004
JOSEPH RIZ(1)(3) Toronto, Ontario	Director	Managing Director of Tricapital Management 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

Biographies

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

Jeremy Kendall, B.A. (Economics) M.B.A. — 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. Mr. Kendall has also served on the following boards of directors: BI Inc. (September 1981 to November 2000), a producer of electronic home incarceration equipment listed on Nasdaq; Brigdon Resources Inc. (June 1993 to February 1999), an oil and gas exploration company; Redaurum Ltd (June 1994 to December 1998), a mineral exploration and production company listed on the TSX; and 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, B.Comm., CMA. — 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, B.Comm, C.A. — 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.

Jacques Décarie, B. Comm. — Vice President, Sales and Marketing. Mr. Décarie was appointed Vice President, Sales and Marketing in December 2004. From August 2003 to December 2004, Mr. Décarie worked as an independent consultant assisting companies with Microsoft CRM implementations. From September 2001 to August 2003, Mr. Décarie was employed with Options Software and Consulting Inc. (“OS”). During his tenure as a Sales Manager at OS, the company’s revenues increased 40%. In recognition of his efforts he was awarded the President’s Cup Award and the Million Dollar Club Award. From August 1998 to August 2001, Mr. Décarie was employed as a regional sales manager for Microsoft Business Solutions where he was awarded an International Salesman of the Year Award with Great Plains Software. Previous to Microsoft Business Solutions, Mr. Décarie held a position as a sales representative for IndustriOS Software Inc. (1996 to 1998) and for Dunn & Bradstreet Software (1994 to 1996) where he won the President’s Club Award in 1995.

Steven Bromley, CGA. — 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 and Chief Operating Officer, Executive Vice President and 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, B.A. (Business Administration), LL.B. — Director. Mr. Loeb is the Co-founder and Chairman of Avanti Properties Group, a private real estate investment firm founded over 20 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 two offshore hedge funds, Halcyon Offshore Event-Driven Strategies Fund and Halcyon Offshore Enhanced Fund. 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, C.A. — Director. Mr. Hepburn is currently self-employed as a consultant and is a director of Walker Industries Holdings Limited, 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 manufacturers 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 is also a former Vice-Chairman and Director of the Brick Association of America.

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

Joseph Riz, CMA. — 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.

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 prospectus 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.

Committees of the Board of Directors

The Board of Directors has an Audit Committee and a Corporate Governance Committee that also functions as the Compensation Committee. The mandates of the Audit Committee and Corporate Governance are as follows:

Audit Committee

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.

Corporate Governance Committee

The Corporate Governance Committee is responsible for developing the Company's approach to corporate governance issues. In addition, it periodically reviews the size, composition and compensation of the Board of Directors, the effectiveness of the Board of Directors and its individual members, and appropriate committee structures, mandates, composition, membership and effectiveness. The Corporate Governance Committee will provide guidance to the Board of Directors on matters relating to the appointment and replacement of directors and identify and recommend to the Board of Directors the names of directors to serve as members (and fill vacancies) of the Audit Committee and such other committees as may exist from time to time including the Corporate Governance Committee itself. This committee is also responsible for succession planning in respect of the Chief Executive Officer. This committee also reviews the Chief Executive Officer's goals and objectives at the start of each year and provides an appraisal of the Chief Executive Officer's performance for the most recently completed year.

The Corporate Governance Committee is also responsible for ensuring that the Company has a high caliber executive management in place and a total compensation plan that is competitive, motivating and rewarding for participants. It is also responsible for overseeing employee compensation and benefit plans.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table provides a summary of the compensation earned in respect of the fiscal years ended December 31, 2004 and 2003 by each of the Company's Chief Executive Officer and Chief Financial Officer (the "Named Executive Officers") for services rendered in all capacities to the Company:

Name and Principal Position with the Company	Fiscal Year	Annual Compensation			Long Term Compensation			All Other Compensation (\$)
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Awards		Payouts	
					Securities Under Options Granted (#)	Shares Subject to Resale Restrictions (\$)	LTIP Payouts (\$)	
David Kruse								
President and Chief Executive Officer . .	2004	197,342	Nil	Nil	Nil(1)	Nil	Nil	17,130
	2003	183,788	15,031	Nil	Nil(1)	Nil	Nil	16,290
James Wilson								
Chief Financial Officer and Secretary(2)	2004	27,885	Nil	Nil	Nil	Nil	Nil	1,962
	2003	—	—	—	—	—	—	—

Notes:

- (1) In fiscal 2003, Mr. Kruse was granted options to acquire in aggregate 10,000 common shares of SunOpta and exercised options to acquire in aggregate 5,000 common shares of SunOpta. As at December 31, 2003, Mr. Kruse held options to acquire in aggregate 5,000 SunOpta common shares. In August 2004, Mr. Kruse was granted a further option to acquire in aggregate 10,000 common shares of SunOpta. Prior to the closing of the Offering, Mr. Kruse will receive options to acquire 50,000 Common Shares at an exercise price equal to the Offering Price. The options will vest over a period of four years, with 20% vesting immediately and 20% per annum thereafter, and will expire 10 years after the date of grant. See "Options to Purchase Securities".
- (2) Mr. Wilson assumed the positions of Chief Financial Officer and Secretary effective October 25, 2004. As such, no compensation was paid to him during the Company's 2003 fiscal year. He does not have a written employment agreement with the Company. Mr. Wilson is paid an annual base salary of \$145,000 and receives a car allowance of \$850 per month. He is eligible to participate in the Company's bonus plan and may earn up to 30% of his base salary upon attainment of certain corporate objectives as approved by the Board of Directors. Prior to the closing of the Offering, Mr. Wilson will receive options to acquire 25,000 Common Shares at an exercise price equal to the Offering Price. The options will vest over a period of four years, with 20% vesting immediately and 20% per annum thereafter, and will expire 10 years after the date of grant. See "Options to Purchase Securities".

Employment Agreements

David Kruse, the President and Chief Executive Officer, on the basis of the completion of the Offering entered into a three year employment contract with the Company on October 15, 2004, which provides for, among other things, an annual base salary of \$250,000 with the ability to earn a bonus of up to \$100,000 per year depending on attainment of pre-established corporate objectives as approved by the Board of Directors prior to the beginning of each fiscal year. The employment contract includes industry standard covenants in favour of the Company, including non-competition and non-solicitation covenants of 12 months and confidentiality covenants. In the event the Company wishes to terminate the employment of Mr. Kruse without cause, the Company is obligated to compensate Mr. Kruse for an amount equal to 12 months annual base salary.

Compensation of Directors

Initial compensation for non-management directors of the Company will be \$5,000 per year plus an additional \$1,000 per year for serving as a committee chairperson. Each director will also receive \$1,000 for each board meeting attended in person, \$500 for each board meeting attended by telephone and \$250 for attending committee meetings. The Company will also reimburse directors for out-of-pocket expenses for attending meetings. The members of the Board of Directors will also be eligible to participate in the Company's Option Plan. See "Options to Purchase Securities".

Directors' and Officers' Liability Insurance

The Company currently maintains directors and officers liability insurance coverage with a \$5.0 million per occurrence limit and a \$10.0 million limit in aggregate. Coverage includes derivative shareholder action suits, wrongful acts including libel, slander or defamation, securities claims and claims relating to employment and fiduciary practices.

The Company intends to obtain increased coverage for its Board of Directors and officers if it can do so on commercially reasonable terms.

Indebtedness of Directors and Executive Officers

No director or officer of the Company is currently indebted to the Company or was indebted to the Company during the financial year ended December 31, 2004.

PLAN OF DISTRIBUTION

The Company has entered into an underwriting agreement (the “Underwriting Agreement”) dated February 7, 2005 with SunOpta and the Underwriters. Pursuant to the Underwriting Agreement, the Company has agreed to issue and sell, and the Underwriters have agreed to purchase, 4,500,000 Units on the Closing Date at the Offering Price, payable in cash against delivery of certificates evidencing the Common Shares and Warrants comprising the Units, subject to the conditions stipulated in the Underwriting Agreement. The Common Shares and the Warrants comprising the Units will become separable immediately upon closing of the Offering.

Prior to the Offering, there has been no public market for the Common Shares or the Warrants. The Offering Price of the Units was determined by negotiation between the Company and the Underwriters.

In consideration of their services performed in connection with the Offering, the Company will pay to the Underwriters a fee equal to 6.0% of the proceeds of the Offering or \$0.24 per Unit. The Company has also agreed to issue to the Underwriters the Compensation Options to purchase such number of Common Shares as is equal to 3.0% of the number of Units issued and sold pursuant to the Offering and 3.0% of the number of Common Shares issued upon exercise of the Over-Allotment Option. The Compensation Options will be exercisable for a period of two years from the Closing Date at an exercise price of \$4.00 per Common Share. This prospectus qualifies the distribution of the Common Shares and Warrants comprising the Units and the Compensation Options. The expenses of this Offering, excluding the fees payable to the Underwriters, are estimated to be approximately \$1,600,000 and will be paid from the proceeds of the Offering.

The obligations of the Underwriters under the Underwriting Agreement are several (and not joint and several) and may be terminated at their discretion upon the occurrence of certain stated events as set forth in the Underwriting Agreement. The Underwriters are, however, severally obligated to take up and pay for all Units if they purchase any of the Units under the Underwriting Agreement. Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

The Company has granted the Underwriters the Over-Allotment Option, exercisable for a period of 30 days from the Closing Date, to purchase up to an aggregate of 450,000 additional Common Shares at a price of \$3.99 per Common Share and up to 225,000 additional Warrants at a price of \$0.01 per each half Warrant, representing up to 10% of the number of Common Shares and Warrants, respectively, comprising the Units issued pursuant to this Offering, payable in cash against delivery of such additional Common Shares or Warrants. The Over-Allotment Option is exercisable in whole or in part only for the purpose of covering over-allotments, if any, made by the Underwriters in connection with this Offering and for market stabilization purposes. This prospectus qualifies the distribution of the Over-Allotment Option and also the Common Shares and Warrants issuable by the Company upon its exercise. In respect of the Over-Allotment Option, the Company will pay to the Underwriters a fee equal to 6.0% of the proceeds realized on the exercise of the Over-Allotment Option or \$0.2394 per Common Share and \$0.0012 per Warrant.

The Underwriters propose to offer the Units initially at the Offering Price of \$4.00 per Unit. After the Underwriters have made a reasonable effort to sell all of the Units offered under this prospectus at that price, the Offering Price may be decreased, and further changed from time to time, to an offering price of not greater than \$4.00 per Unit, and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Units is less than the gross proceeds paid by the Underwriters to the Company.

The TSX has conditionally approved the listing of the Common Shares (including those issuable upon exercise of the Warrants) and Warrants under the symbols “OPM” and “OPM.WT”, respectively. The listing will be subject to the Company fulfilling all of the requirements of the TSX on or before February 23, 2005.

The Common Shares and Warrants comprising the Units have not been and will not be registered under the *United States Securities Act of 1933* (the “1933 Act”) or any state securities laws. Accordingly, the Common Shares and Warrants may not be offered or sold within the United States (as such term is defined in Regulation S under the

1933 Act) except in transactions exempt from the registration requirements of the 1933 Act. The Underwriting Agreement permits the Underwriters to reoffer and resell Units purchased by them pursuant to that agreement to certain qualified institutional buyers in the United States, provided that such reoffers and resales are made only in accordance with Rule 144A under the 1933 Act. The Underwriting Agreement also permits the Underwriters to offer the Units for sale directly by the Company to certain accredited investors as defined in Rule 501(a) under the 1933 Act, that satisfy the requirements of Rule 501(a)(1), (2), (3) or (7), provided that such offers and sales are made only in accordance with Rule 506 of Regulation D under the 1933 Act. The obligation of the Underwriters to purchase Units on the Closing Date or upon any exercise of the Over-Allotment Option will be reduced by the number of Units, if any, being sold by the Company pursuant to Rule 506 of Regulation D under the 1933 Act. In addition, until 40 days after the commencement of the Offering, any offer or sale of Common Shares or Warrants within the United States by any dealer (whether or not participating in the distribution hereunder) may violate the registration requirements of the 1933 Act if such offer or sale is made otherwise than in accordance with an available exemption under the 1933 Act.

Pursuant to policy statements of the Ontario Securities Commission and the Autorité des marchés financiers, the Underwriters may not, throughout the period of distribution, bid for or purchase Common Shares or Warrants. The foregoing restriction is subject to exceptions, on the condition that the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Common Shares or Warrants. These exceptions include bids or purchases permitted under the Universal Market Integrity Rules relating to market stabilization and passive market-making activities and bids or purchases made for and on behalf of a customer in which the order was not solicited during the period of distribution. Under the first exception, in connection with the Offering, the Underwriters may over-allot or effect transactions, which stabilize or maintain the market price of the Common Shares or Warrants at levels other than those that might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

A book-based system global certificate evidencing the Common Shares and Warrants comprising the Units will be issued to CDS on the Closing Date. CDS requires that any Common Shares and Warrants registered in the book-based system be represented in the form of fully registered global certificates held by, or on behalf of, CDS as custodian of such certificates for CDS participants, and registered in the name of CDS. The name in which global certificates are issued is for the convenience of the book-based system only and will have no bearing on the identity of the shareholders. CDS participants include securities brokers and dealers, banks and trust companies. An investor who purchases Units will, therefore, receive only a customer confirmation from the registered dealer who is a CDS participant and through whom the Units are purchased. Neither Common Share nor Warrant certificates will be issued to investors unless specifically requested. If CDS notifies the Company that it is unwilling or unable to continue as depositary in connection with such global certificates, or if at any time CDS ceases to be a clearing agency or otherwise ceases to be eligible to be a depositary, the Company will make appropriate arrangements to replace the book-based system in an orderly fashion and to issue Common Share and Warrant certificates to the shareholders in an orderly fashion. Notwithstanding the foregoing, all U.S. investors will be issued Common Share and Warrant certificates on the Closing Date.

Lock-up and Other Arrangements

Pursuant to the Underwriting Agreement, Opta Minerals has agreed not to issue or enter into any agreements to issue any additional Common Shares or financial instruments convertible or exchangeable into Common Shares, other than (i) pursuant to the ESPP, or (ii) upon the exercise of any options previously issued under the Option Plan, for a period of 90 days from the closing of the Offering without the prior consent of Loewen, Ondaatje, McCutcheon Limited on behalf of the Underwriters, such consent not to be unreasonably withheld.

In addition, SunOpta, the principal shareholder of the Company, has agreed not to sell, without the prior written agreement of Loewen, Ondaatje, McCutcheon Limited on behalf of the Underwriters, any of its Common Shares, for a period of 180 days following the Closing Date.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Wildeboer Dellelce LLP, counsel to the Company, and Fasken Martineau DuMoulin LLP, counsel to the Underwriters, the following is, as of the date of this prospectus, a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to holders of Common Shares and Warrants acquired under the Offering. This summary applies to holders who, for the purposes of the Tax Act: (i) deal at arm's

length and are not affiliated with the Company; (ii) are not “financial institutions” as defined in the Tax Act for purposes of the mark-to-market rules; (iii) are not “specified financial institutions” as defined in the Tax Act; and (iv) hold their Common Shares and Warrants as capital property. Such securities will generally be “capital property” to a holder unless they are held in the course of carrying on a business of trading or dealing in securities or have been acquired in a transaction or transactions considered to be an adventure in the nature of trade. Certain holders who are resident in Canada for purposes of the Tax Act and who might not otherwise be considered to hold their Common Shares as capital property may, in certain circumstances, be entitled to have them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act.

This summary is based upon the current provisions of the Tax Act and the regulations thereunder (the “Regulations”) in force as of the date hereof, all specific proposals (the “Proposed Amendments”) to amend the Tax Act or the Regulations that have been publicly announced by, or on behalf of, the Minister of Finance (Canada) prior to the date hereof, the current provisions of the *Canada-United States Income Tax Convention (1980)* (the “Convention”), and counsel’s understanding of the current published administrative and assessing practices of the Canada Revenue Agency (“CRA”). No assurance can be given that the Proposed Amendments will be enacted in their current proposed form, if at all. This summary does not take into account or anticipate any other changes to the law, whether by legislative, governmental or judicial decision or action, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ from the Canadian federal income tax considerations.

This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular holder. Therefore, holders should consult their own tax advisors with respect to their particular circumstances.

Holders Resident in Canada

The following discussion applies to a holder (a “Canadian Holder”) of Common Shares and Warrants who, at all relevant times, is or is deemed to be resident in Canada for purposes of the Tax Act.

Acquisition of Common Shares and Warrants

On the acquisition of a Unit, the Canadian Holder will be considered to have acquired the Common Share and one-half Warrant comprising the Unit.

The total purchase price of a Unit to a Canadian Holder must be allocated on a reasonable basis between the Common Share and the one-half of one Warrant to determine the cost of each for purposes of the Tax Act. For its purposes, the Company intends to allocate \$3.84 of the Offering Price of each Unit as consideration for the issue of each Common Share and \$0.16 of the Offering Price of each Unit for the issue of each one-half of one Warrant. Although the Company believes that its allocation is reasonable, it is not binding on the CRA.

Exercise of Warrants

No gain or loss will be realized by a Canadian Holder upon the exercise of a Warrant to acquire a Common Share. When a Warrant is exercised, the Canadian Holder’s cost of the Common Share acquired thereby will be the aggregate of the Canadian Holder’s adjusted cost base of such Warrant and the exercise price paid for the Common Share. The Canadian Holder’s adjusted cost base of the Common Share so acquired will be determined by averaging such cost with the adjusted cost base to the Canadian Holder of all Common Shares owned by the Canadian Holder immediately prior to such acquisition.

Disposition and Expiry of Warrants

A disposition or deemed disposition by a Canadian Holder of a Warrant (other than upon the exercise thereof) will generally give rise to a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or less) than such Canadian Holder’s adjusted cost base of the Warrants. In the event of the expiry of an unexercised Warrant, the Canadian Holder will realize a capital loss equal to the Canadian Holder’s adjusted cost base of such Warrant. The tax treatment of capital gains and losses is discussed in greater detail below under the subheading “Capital Gains and Losses”.

Dividends

Dividends received or deemed to be received on the Common Shares will be included in computing the Canadian Holder's income. In the case of an individual Canadian Holder such dividends will be subject to the gross-up and dividend tax credit rules normally applicable in respect of taxable dividends received from taxable Canadian corporations (as defined in the Tax Act). Dividends received by a corporation on the Common Shares must be included in computing its income but generally will be deductible in computing its taxable income. Private corporations (as defined in the Tax Act) and certain other corporations controlled by or for the benefit of an individual (other than a trust) or related group of individuals (other than trusts) generally will be liable to pay a 33 $\frac{1}{3}$ % refundable tax under Part IV of the Tax Act on dividends to the extent such dividends are deductible in computing taxable income. This refundable tax generally will be refunded to a corporate holder at the rate of \$1 for every \$3 of taxable dividends paid while it is a private corporation.

Taxable dividends received by individuals (other than certain trusts) may be subject to alternative minimum tax.

Disposition of Common Shares

A disposition or deemed disposition by a Canadian Holder of Common Shares will generally give rise to a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or less) than such Canadian Holder's adjusted cost base of the Common Shares. The tax treatment of capital gains and losses is discussed in greater detail below under the subheading "Capital Gains and Losses".

Capital Gains and Losses

One-half of any capital gain will be included in income as a taxable capital gain and one-half of any capital loss may normally be deducted as an allowable capital loss against taxable capital gains realized in the year of disposition. Any unused allowable capital losses may be applied to reduce net taxable capital gains realized in the three preceding taxation years or any subsequent taxation year, subject to the provisions of the Tax Act in that regard.

The amount of any capital loss realized on the disposition or deemed disposition of Common Shares by a Canadian Holder that is a corporation may be reduced by the amount of dividends received or deemed to have been received by it on such shares or shares substituted for such shares to the extent and in the circumstance prescribed by the Tax Act. Similar rules may apply where a Canadian Holder that is a corporation is a member of a partnership or beneficiary of a trust that owns such shares or that is itself a member of a partnership or a beneficiary of a trust that owns such shares.

A Canadian Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) also may be liable to pay an additional refundable tax of 6 $\frac{2}{3}$ % on its "aggregate investment income" for the year which will include taxable capital gains. This refundable tax generally will be refunded to a corporate holder at the rate of \$1 for every \$3 of taxable dividends paid while it is a private corporation.

Individuals (other than certain trusts) may be subject to alternative minimum tax in respect of realized capital gains.

Holders Resident in the United States

The following summary is generally applicable to holders who (i) for the purposes of the Tax Act have not been and will not be deemed to be resident in Canada at any time while they hold Common Shares or Warrants and who do not use or hold the Common Shares and/or Warrants in carrying on a business in Canada; and (ii) are residents of the United States for purposes of the Convention ("U.S. Holders"). Special rules, which are not discussed in this summary, may apply to a U.S. Holder that is an insurer carrying on business in Canada and elsewhere.

Allocation of Purchase Price

For Canadian federal income tax purposes the cost to a U.S. Holder of the Common Share and one-half Warrant comprising the Unit will be determined in the manner described above that applies to a Canadian Holder.

Exercise or Expiry of Warrant

The Canadian federal income tax consequences to a U.S. Holder of the exercise or expiry of Warrants are generally the same as those described above that apply to a Canadian Holder.

Dividends

Dividends paid or credited or deemed under the Tax Act to be paid or credited to a U.S. Holder will generally be subject to Canadian withholding tax at the rate of 15%. This rate is reduced to 5% in the case of a U.S. Holder that is a corporation that owns at least 10% of the voting stock of the corporation.

Disposition of Common Shares or Warrants

A U.S. Holder will not be subject to tax under the Tax Act in respect of any capital gain on the disposition of Warrants or Common Shares provided that (i) the Common Shares are listed on a prescribed stock exchange (which includes the TSX) for the purposes of the Tax Act at the time of disposition; and (ii) at no time during the 60 month period immediately preceding the disposition of the Warrants or Common Shares were 25% or more of the issued shares of any class or series of the capital stock of the corporation owned by the U.S. Holder, by persons with whom the U.S. Holder did not deal at arm's length, or by the U.S. Holder together with such persons.

If the foregoing conditions are not satisfied, under the terms of the Convention, a U.S. Holder will still not be subject to tax under the Tax Act in respect of a capital gain realized on the disposition of Warrants and Common Shares, provided in the case of Common Shares that the value of the Common Shares is not derived principally from real property situated in Canada at the time of disposition.

PROMOTER, INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS AND CONFLICTS OF INTEREST

SunOpta may be considered to be the promoter of the Company by virtue of its initiative in organizing the business and affairs of the Company. Other than as disclosed elsewhere in this prospectus, SunOpta has not received and will not, as a result of the Offering, receive, either directly or indirectly, anything of value, including money, property, contracts, options or rights of any kind, from the Company.

On being issued a receipt for its final prospectus in connection with the Offering, the Company will become a reporting issuer in Ontario and therefore will become subject to the disclosure, formal valuation, independent committee review and minority approval requirements which apply to certain related party transactions under Ontario Securities Commission Rule 61-501. The Company is also subject to the conflict of interest provisions of the *Canada Business Corporations Act*, which require directors who have certain interests in certain transactions entered into with the Company to disclose such interests and, in certain circumstances, to abstain from voting on such transactions at meetings of the directors.

RISK FACTORS

The following are certain factors relating to the business of Opta Minerals which prospective investors should carefully consider before deciding whether to purchase Units. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this prospectus, including the combined financial statements and the related notes. The risks and uncertainties below are not the only risks and uncertainties facing Opta Minerals. Additional risks and uncertainties not currently known to Opta Minerals or that are currently deemed immaterial may also impact the Company's operations, divisions or businesses. If any of the following risks actually occur, the Company's business, results of operations or financial condition could suffer. In such case, the market price of the Common Shares and Warrants could decline, and an investor could lose all or part of his, her or its investment in the Common Shares and Warrants.

Company and Industry Risks

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 seven production and two distribution and packaging facilities (four owned, five 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 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 and Silicosis 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.

A number of companies operating in the abrasives and industrial minerals industries, including Opta Minerals, have in recent years received, and will likely continue to receive, claims for damages in respect of silicosis resulting from the use of silica as an abrasive. For over 50 years, silica had been the most commonly used abrasive for abrasive blast cleaning as it was economical and easy to use. However, because of its properties, when silica is used as an abrasive it produces dust particles that can lead to silicosis if inhaled. Various forms of silicosis are now recognized. 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. Regardless of whether claims in respect of silicosis or other 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.

Reliance on Controlling Shareholder and Potential Conflicts of Interest

Following completion of the Offering, the Company will be party to certain commercial transactions with SunOpta. As of the date of this prospectus, the Company currently owes approximately \$15.6 million to SunOpta and its affiliates relating to certain intercompany loans made to the Company while it operated as an independent division of SunOpta prior to the Reorganization. It is expected that \$5.0 million of these loans will be repaid to SunOpta and its affiliates out of the proceeds of the Offering on or prior to February 28, 2005, with the remainder due in four equal installments on February 28, 2006, 2007, 2008 and 2009, except that 25% of any net proceeds raised by the Company upon the exercise of the Warrants will be paid immediately to SunOpta or an affiliate of SunOpta, as the case may be, to reduce the outstanding balance owing to SunOpta or such affiliate and the remaining outstanding balance due on each of the then remaining specified repayment dates will be reduced ratably. The debt owed by the Company to SunOpta and its affiliates bears interest at prime plus 1% and can be repaid at any time.

In addition, SunOpta has historically charged management fees to the Company for direct costs incurred by SunOpta for professional services and insurance as well as certain allocations for accounting, treasury and other administrative services provided by SunOpta. In the future, SunOpta will only charge the Company for direct costs and fees related to specific services provided at fair market value. Following completion of the Offering, SunOpta will also continue to provide various types of insurance coverage on behalf of the Company under its existing insurance policies. Furthermore, it is possible that the Company will enter into additional agreements and arrangements with SunOpta in the future, the terms of which will be determined through negotiations at such time based on prevailing market rates. As any such agreements or arrangements may result in actual or perceived conflicts of interest, such agreements and arrangements will be subject to approval by a majority of the independent directors of the Company, in accordance with the related party transaction provisions of Ontario Securities Commission Rule 61-501, if applicable, and in accordance with the applicable conflict of interest provisions of the *Canada Business Corporations Act*. See "Promoter, Interest of Management and Others in Material Transactions and Conflicts of Interest".

Finally, the Company may be dependent on SunOpta to provide other services in the future. To the extent the services or financing received from SunOpta become unavailable or are terminated for any reason, the Company may be unable to obtain similar services or financing on comparable terms from other parties.

SunOpta is currently conducting an assessment of its internal controls over financial reporting pursuant to its reporting obligations under section 404 of the United States Sarbanes-Oxley Act. While SunOpta believes that it has implemented appropriate internal controls and has never previously identified any material weaknesses relating to its internal controls, it is finalizing its assessment as part of its year end audit process for the December 31, 2004 year end.

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 nine month period ended September 30, 2004, approximately 57% of the Company's revenues were derived from sales to customers in 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.

Although the Company is not currently borrowing, it will borrow in the future and fluctuations in interest costs could affect future earnings.

Debt Financing

The Credit Facility is likely to contain restrictive covenants that limit the discretion of the Company's management with respect to certain business matters. These covenants may place restrictions on, among other things, the ability of the Company to incur additional indebtedness, to create other security interests, to complete a liquidation, dissolution, merger, amalgamation or reorganization, to make certain distributions or make certain other payments, investments, loans and guarantees and to sell or otherwise dispose of certain assets.

The Credit Facility is also likely to include covenants requiring the Company to satisfy certain financial ratios and tests. A failure of the Company to comply with these obligations under the Credit Facility could result in an event of default which, if not cured or waived, could permit the acceleration of the relevant indebtedness. The Credit Facility will be secured by customary security for transactions of this type. There can be no assurance that, if any indebtedness under the Credit Facility were to be accelerated, the Company's assets would be sufficient to repay in full that indebtedness. Furthermore, prior to the expiry of the Credit Facility, the Company may be required to refinance its short-term debt. If the Company is required to replace the Credit Facility with new debt on less favourable terms, or if the Company cannot refinance its short-term debt, the Company may be adversely impacted.

Investment Risks

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 shares 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 Common Shares.

No Payment of Dividends in the Foreseeable Future

The Company does not intend to pay dividends on the Common Shares issued pursuant to the Offering, and investors should not expect to receive any dividends on their investment, in the foreseeable future. The Company will consider paying dividends on its Common Shares when circumstances permit, having regard to, among other things, earnings, cash flow and financial requirements, as well as relevant legal and business considerations. Any future payment of dividends to holders of the Common Shares will depend on decisions that will be made by the Board of Directors and will depend on then existing conditions, including the Company's financial condition, contractual restrictions, capital requirements and business prospects.

No Prior Market for the Common Shares or Warrants

Before the Offering, there has been no public market for the Common Shares or Warrants and an active public market for the Common Shares and Warrants may not develop or be sustained after the Offering. If an active public market for the Common Shares and Warrants does not develop, the liquidity of the Common Shares and Warrants may be limited and the price for the Common Shares and Warrants may decline below the Offering Price. The Offering Price of the Units has been determined by negotiation between the Company and the Underwriters and may bear no relationship to the price that will prevail in the public market subsequent to the closing of the Offering. Various factors including the Company's and its competitors' financial results and general economic conditions could cause significant fluctuations in the price and the trading volume of the Common Shares and Warrants.

Use of Proceeds May Differ Based on Business Needs

The proposed use of the net proceeds of the Offering represents the Company's current best estimate of the expected use of these funds. The Company has not specifically allocated the funds among the various purposes listed under "Use of Proceeds" and Opta Minerals' management and Board of Directors may allocate the funds in different proportions among such stated purposes or such other purposes as they consider appropriate from time to time depending on their assessment of Opta Minerals' needs subsequent to the Offering. The Company presently has no agreements, arrangements or commitments with respect to the use of these funds, other than the repayment of part of certain intercompany loans made by SunOpta to the Company while the Company operated as an independent division of SunOpta prior to the Reorganization. It is likely that the net proceeds of the Offering, together with the Company's other available cash resources, will not be fully deployed for a period following the closing of the Offering, and during this period these funds will be administered and invested by and at the discretion of the Board of Directors.

The Interests of the Controlling Shareholder

All of the outstanding Common Shares are currently held directly and beneficially by SunOpta and, immediately following the closing of the Offering and the proposed gifting of 75,000 Common Shares to officers and employees of the Company, SunOpta will continue to beneficially own approximately 72.3% of the Common Shares (approximately 70.4% of the Common Shares in the event the Over-Allotment Option is fully exercised). As a result, SunOpta will have 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.

The combined financial statements of the Company have been "carved out" from the consolidated financial statements of SunOpta and may not reflect our results of operations and financial position on a stand-alone basis

The combined financial statements presented in this prospectus have been "carved out" from the consolidated financial statements of SunOpta and may not be indicative of the Company's results of operations and financial position had it actually operated on a stand-alone basis during the periods presented.

Potential Dilution of Common Shares

The exercise of Warrants or stock options, the issuance of Common Shares pursuant to the ESPP or the issuance of other additional securities issued in the future could result in dilution in the value of the Common Shares and Warrants 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 the Company's share 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.

MATERIAL CONTRACTS

The following are the only material contracts, other than contracts in the ordinary course of business, which have been or will be entered into by the Company within the past two years:

1. the Underwriting Agreement dated February 7, 2005 between the Company, SunOpta and the Underwriters. See "Plan of Distribution";
2. the transfer agency agreement (the "Transfer Agency Agreement") dated November 19, 2004 between the Company and Equity Transfer Services Inc. See "Registrar and Transfer Agent";
3. the Purchase Agreement dated February 7, 2005 between SunOpta and the Company. See "Reorganization"; and
4. the Warrant Indenture to be dated the Closing Date between the Company and Equity Transfer Services Inc. See "Description of Share Capital and Securities to be Distributed — Warrants".

A copy of the material contracts listed above may be examined during the period of distribution of the Units pursuant to the Offering and for a period of 30 days thereafter during normal business hours at the office of the Company located at 407 Parkside Drive, Waterdown, Ontario, Canada, L0R 2H0.

LEGAL MATTERS

Certain legal matters relating to the issue and sale of Common Shares offered hereby will be passed upon on behalf of the Company by Wildeboer Dellelce LLP and on behalf of the Underwriters by Fasken Martineau DuMoulin LLP.

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.

California Action

In June 2004, the Company and one of its subsidiaries were named as defendants in five substantially identical lawsuits in California initiated by, in aggregate, 82 individual plaintiffs against approximately 120 companies in the abrasives industry. The plaintiffs allege that they contracted silicosis as a result of exposure to silica-based products, or through the use of machinery used in connection with such products, distributed by the defendants. 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. The disease occurs mainly in people who work in sandblasting, as well as in mining, quarrying, grinding and those who work in foundries. The quantum of damages sought by the plaintiffs is not specified in the statement of claim. To the knowledge of the Company, neither

the Company nor its named subsidiary has ever distributed silica-based materials or other products used in connection therewith in the State of California. As such, management of the Company believes the claim against the Company and its named subsidiary is without merit. To date, the plaintiff's counsel has agreed to dismiss all five cases against the Company and at least two cases against its subsidiary on a without prejudice basis.

New Jersey Action

In June 2004, Virginia Materials, 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 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.

Olivine Contamination

In February 2004, the Company's olivine supply was accidentally contaminated with vermiculite while being stored at a storage facility rented by the Company from a non-related party that also stores other products on its site for other customers. Upon receipt of a complaint from a customer in respect of the olivine supplied to it, Company representatives attended at the warehouse facility and observed vermiculite surrounding and on top of the Company's olivine pile. Upon further testing of the pile, the Company determined that pieces of vermiculite were located throughout the pile.

Customers of the Company use olivine to make molding sand. Specifically, hot metal is poured into the molding sand to take on an impression to make a casting. The presence of vermiculite in the olivine is a concern, as when the hot metal comes in contact with the vermiculite in the molding sand it rapidly expands and penetrates the surface of the casting and causes pinholes. These pinholes are considered a serious casting defect as they cause a weakening of the casting's strength. The casting cannot be used and must be re-melted and cast again.

Upon learning of the contamination, the Company immediately quarantined all olivine at its warehouse locations. The Company then informed all of its customers who had potentially purchased the contaminated olivine and had them return all unused olivine for quarantine. To the knowledge of the Company, only four of the Company's customers used the contaminated olivine in their systems and experienced casting defects as a result thereof.

To date, litigation proceedings have not been commenced against the Company in respect of the sale of contaminated olivine. The four customers that used the contaminated olivine have requested reimbursement from the Company for damages arising from its use, which, in the aggregate, total approximately \$480,000. There may be future claims for reimbursement arising from the contaminated olivine that are not known to the Company at this time. The Company has notified its insurance carrier who is pursuing the matter with representatives of the instigating party and the claimants identified above. The Company does not believe it will be liable beyond payment of its deductible.

RELATIONSHIP BETWEEN OPTA MINERALS AND UNDERWRITERS

Except as provided for in the Underwriting Agreement, there is no relationship between the Company and any of the Underwriters.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are PricewaterhouseCoopers LLP, Chartered Accountants, Mississauga Executive Centre, 1 Robert Speck Parkway, Suite 1100, Mississauga, Ontario, L4Z 3M3.

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

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt for deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provision of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

GLOSSARY OF TERMS

almandine	means a deep red garnet consisting of an iron aluminum silicate.
cementitious	means having the properties of cement.
cullet	means broken or refuse glass usually added to new material to facilitate melting in making glass.
Customer Relationship Management (CRM)	means an information industry term for methodologies, software, and usually Internet capabilities that help an enterprise manage customer relationships in an organized way.
frac sand	means a sand that is used in the oil and gas industry with specific properties such as compressive strength, particle size and permeability. It is used for hydraulic fracturing and propping to allow oil or natural gas to move more freely from the rock pores where they are trapped to a producing well that can bring the oil or gas to the surface.
garnet	means a brittle and more or less transparent usually red silicate mineral that has a vitreous luster, occurs mainly in crystals but also in massive form and in grains, is found commonly in gneiss and mica schist, and is used as a semiprecious stone and as an abrasive.
Manufacturing Resource Planning (MRP)	means a system which allows manufacturers to optimize materials, procurement, manufacturing processes, etc., and provide financial and planning reports.
peening	means to draw, bend, or flatten by or as if by hammering with a peen.
porosity	means the quality or state of being permeable to fluids.
resin	means any of various solid or semisolid amorphous fusible flammable natural organic substances that are usually transparent or translucent and yellowish to brown, are formed especially in plant secretions, are soluble in organic solvents (as ether) but not in water, and are electrical nonconductors.
Supply Chain Management (SCM)	means the oversight of materials, information, and finances as they move in a process from supplier to manufacturer to wholesaler to retailer to consumer.
vitreous	means resembling glass (as in color, composition, brittleness, or luster).

AUDITORS' CONSENT

We have read the prospectus of Opta Minerals Inc. (the "Company") dated February 7, 2005 relating to the issue and sale of 4,500,000 Units of the Company (each Unit consisting of one common share of the Company and one-half of a common share purchase warrant of the Company). We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above-mentioned prospectus of our reports to:

- The directors of Opta Minerals Inc. on the balance sheet of the Company as at July 8, 2004. Our report is dated October 4, 2004 (except as to note 2, which is as of February 7, 2005); and
- The directors of SunOpta Inc. on the combined balance sheets of Opta Minerals Group (a division of SunOpta Inc.) as at December 31, 2003 and December 31, 2002 and the combined statements of earnings, retained earnings and cash flows for the three years in the period ended December 31, 2003. Our report is dated October 4, 2004 (except as to note 14, which is as of February 7, 2005).

(Signed) PRICEWATERHOUSECOOPERS LLP
Chartered Accountants

Mississauga, Ontario

February 7, 2005

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AUDITORS' REPORT

To the Directors of Opta Minerals Inc.

We have audited the balance sheet of **Opta Minerals Inc.** as at July 8, 2004. This balance sheet is the responsibility of the Company's management. Our responsibility is to express an opinion on this balance sheet based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the balance sheet is free of material misstatement. An audit of a balance sheet includes examining, on a test basis, evidence supporting the amounts and disclosures in that balance sheet. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall balance sheet presentation.

In our opinion, the balance sheet presents fairly, in all material respects, the financial position of the Company as at July 8, 2004 in accordance with Canadian generally accepted accounting principles.

(Signed) PRICEWATERHOUSECOOPERS LLP
Chartered Accountants
Mississauga, Ontario

October 4, 2004
(except as to note 2, which is as of February 7, 2005)

OPTA MINERALS INC.

BALANCE SHEET

As at July 8, 2004

	<u>\$</u>
ASSETS	
Cash.....	<u>100</u>
SHAREHOLDERS' EQUITY	
Capital stock	
Authorized.....	
Unlimited common shares of no par value	
Issued	
100 common shares	<u>100</u>

Approved by the Board of Directors

(Signed) JEREMY KENDALL Director (Signed) DAVID KRUSE Director

See accompanying notes to balance sheet.

OPTA MINERALS INC.

NOTES TO BALANCE SHEET

July 8, 2004

1 The Company

The Company is a wholly owned subsidiary of SunOpta Inc. and was incorporated on July 8, 2004 under the laws of Canada.

2 Subsequent event

On February 7, 2005, Opta Minerals Inc. filed a prospectus to issue 4,500,000 units, each unit consisting of one common share and one-half of a common share purchase warrant, as part of an initial public offering. Immediately prior to the completion of the offering, the net assets and businesses consisting of Opta Minerals Group (a division of SunOpta Inc.) will be transferred to Opta Minerals Inc.

AUDITORS' REPORT

To the Directors of SunOpta Inc.

We have audited the combined balance sheets of **Opta Minerals Group** (a division of SunOpta Inc.) as at December 31, 2003 and 2002 and the combined statements of earnings, retained earnings and cash flows for the years ended December 31, 2003, 2002 and 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these combined financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2003 and 2002 and the results of its operations and its cash flows for the years ended December 31, 2003, 2002 and 2001 in accordance with Canadian generally accepted accounting principles.

(Signed) PRICEWATERHOUSECOOPERS LLP
Chartered Accountants
Mississauga, Ontario

October 4, 2004
(except as to note 14, which is as of February 7, 2005)

OPTA MINERALS GROUP
COMBINED BALANCE SHEETS
(expressed in thousands of Canadian dollars)

	As at September 30, 2004 \$	As at December 31,	
		2003 \$	2002 \$
	(unaudited)		
ASSETS			
Current assets			
Cash and cash equivalents	924	536	694
Accounts receivable	6,584	5,571	5,336
Inventories (note 3)	9,912	8,335	7,151
Prepaid expenses and other current assets	316	212	217
Future income taxes (note 11)	—	44	202
	17,736	14,698	13,600
Assets held for sale (note 4)	—	1,316	—
Property, plant and equipment — net (note 5)	11,640	10,307	12,416
Goodwill and intangible assets — net (note 6)	8,107	7,997	9,193
Other assets	5	27	49
	37,488	34,345	35,258
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	3,985	3,533	4,159
Due to parent and affiliates (note 8)	17,037	16,516	15,621
Current portion of long-term debt (note 9)	178	159	228
Current portion of preference shares (note 10)	108	115	312
Other payables	—	242	1,992
	21,308	20,565	22,312
Long-term debt (note 9)	175	150	309
Long-term portion of preference shares (note 10)	44	91	149
Future income taxes (note 11)	874	696	553
Other long-term payables	—	—	295
	22,401	21,502	23,618
DIVISIONAL EQUITY			
Retained earnings	15,884	13,399	11,616
Currency translation adjustment	(797)	(556)	24
	15,087	12,843	11,640
	37,488	34,345	35,258
Commitments and contingencies (note 13)			

Approved by the Board of Directors

(Signed) JEREMY KENDALL Director

(Signed) JOSEPH RIZ Director

See accompanying notes to combined financial statements.

OPTA MINERALS GROUP

COMBINED STATEMENTS OF EARNINGS

(expressed in thousands of Canadian dollars)

	Nine months ended September 30,		Year ended December 31,		
	2004 \$	2003 \$	2003 \$	2002 \$	2001 \$
	(unaudited)				
Revenue	31,822	26,491	34,781	38,520	31,057
Cost of goods sold	<u>24,630</u>	<u>20,876</u>	<u>27,606</u>	<u>29,831</u>	<u>26,083</u>
Gross profit	7,192	5,615	7,175	8,689	4,974
Selling, general and administrative expenses (note 7)	<u>2,854</u>	<u>2,529</u>	<u>3,816</u>	<u>3,866</u>	<u>3,578</u>
Earnings before the following	<u>4,338</u>	<u>3,086</u>	<u>3,359</u>	<u>4,823</u>	<u>1,396</u>
Interest expense (note 7)	310	395	591	470	427
Interest and other (income) expense	200	(192)	(140)	(14)	121
Foreign exchange loss (gain)	<u>(73)</u>	<u>78</u>	<u>67</u>	<u>44</u>	<u>(19)</u>
	<u>437</u>	<u>281</u>	<u>518</u>	<u>500</u>	<u>529</u>
Earnings before income taxes	3,901	2,805	2,841	4,323	867
Provision for income taxes (note 11)	<u>1,416</u>	<u>1,043</u>	<u>1,058</u>	<u>1,570</u>	<u>380</u>
Net earnings for the period	<u><u>2,485</u></u>	<u><u>1,762</u></u>	<u><u>1,783</u></u>	<u><u>2,753</u></u>	<u><u>487</u></u>

See accompanying notes to combined financial statements.

OPTA MINERALS GROUP

COMBINED STATEMENTS OF RETAINED EARNINGS

(expressed in thousands of Canadian dollars)

	Nine months ended September 30,		Year ended December 31,		
	2004 \$	2003 \$	2003 \$	2002 \$	2001 \$
	(unaudited)				
Retained earnings — Beginning of period	13,399	11,616	11,616	8,863	8,376
Net earnings for the period	<u>2,485</u>	<u>1,762</u>	<u>1,783</u>	<u>2,753</u>	<u>487</u>
Retained earnings — End of period	<u><u>15,884</u></u>	<u><u>13,378</u></u>	<u><u>13,399</u></u>	<u><u>11,616</u></u>	<u><u>8,863</u></u>

See accompanying notes to combined financial statements.

OPTA MINERALS GROUP
COMBINED STATEMENTS OF CASH FLOWS
(expressed in thousands of Canadian dollars)

	Nine months ended September 30,		Year ended December 31,		
	2004 \$	2003 \$	2003 \$	2002 \$	2001 \$
	(unaudited)				
Cash provided by (used in)					
Operating activities					
Net earnings for the period	2,485	1,762	1,783	2,753	487
Items not affecting cash					
Amortization	921	1,022	1,334	1,407	1,075
Imputed interest on preference shares	9	11	15	20	24
Future income taxes	—	—	310	352	100
Gain on disposals of property, plant and equipment	—	(172)	(129)	(43)	—
	<u>3,415</u>	<u>2,623</u>	<u>3,313</u>	<u>4,489</u>	<u>1,686</u>
Changes in non-cash working capital — net of businesses acquired					
Accounts receivable	(706)	(547)	(503)	174	(268)
Inventories	(1,572)	(435)	(1,584)	(1,381)	(6)
Prepaid expenses and other current assets	14	(280)	(5)	(59)	(129)
Accounts payable and accrued liabilities	110	(726)	(138)	(51)	1,557
	<u>1,261</u>	<u>635</u>	<u>1,083</u>	<u>3,172</u>	<u>2,840</u>
Investing activities					
Acquisition of companies — net of cash acquired	(500)	(630)	(700)	(1,659)	(2,903)
Acquisition of property, plant and equipment	(2,254)	(752)	(1,114)	(1,662)	(2,159)
Proceeds from sale of property, plant and equipment	1,337	235	243	98	—
	<u>(1,417)</u>	<u>(1,147)</u>	<u>(1,571)</u>	<u>(3,223)</u>	<u>(5,062)</u>
Financing activities					
Increase (decrease) in revolving credit facilities	—	—	—	(1,704)	684
Repayment of long-term debt	(9)	(63)	(228)	(5,256)	(1,765)
Repayment of deferred purchase consideration	(250)	(639)	(1,069)	(1,542)	(171)
Advance from parent and affiliates	916	1,465	1,975	9,544	3,538
Purchase and redemption of preference shares of subsidiary companies	(63)	(253)	(270)	(223)	(216)
	<u>594</u>	<u>510</u>	<u>408</u>	<u>819</u>	<u>2,070</u>
Foreign exchange (loss) gain on cash held in foreign currency	<u>(50)</u>	<u>(39)</u>	<u>(78)</u>	<u>(74)</u>	<u>152</u>
Increase (decrease) in cash and cash equivalents during the period	388	(41)	(158)	694	—
Cash and cash equivalents — Beginning of period	<u>536</u>	<u>694</u>	<u>694</u>	<u>—</u>	<u>—</u>
Cash and cash equivalents — End of period	<u><u>924</u></u>	<u><u>653</u></u>	<u><u>536</u></u>	<u><u>694</u></u>	<u><u>—</u></u>
Supplemental cash flow information					
Interest paid	236	212	572	470	427

See accompanying notes to combined financial statements.

OPTA MINERALS GROUP

NOTES TO COMBINED FINANCIAL STATEMENTS

(expressed in thousands of Canadian dollars)

1. Basis of presentation, nature of operations and summary of significant accounting policies

The combined financial statements include the accounts of Opta Minerals, a division of SunOpta Inc. (SunOpta), Virginia Materials Inc. (Virginia Materials), International Materials & Supplies Inc. (International Materials), Temisca Inc. (Temisca) and 1108176 Ontario Limited (1108176), all of which are divisions or wholly owned subsidiaries of SunOpta and are collectively known as the Opta Minerals Group (the Company), a reporting segment of SunOpta. All significant intercompany accounts and transactions have been eliminated on combination.

In conjunction with the proposed transaction described in note 14, SunOpta on July 8, 2004 incorporated Opta Minerals Inc. under the laws of Canada and on November 19, 2004 incorporated Opta Minerals (USA) Inc. under the laws of the state of Delaware. In contemplation of the public offering, the businesses consisting of the Company will be transferred to Opta Minerals Inc. The combined financial statements present the historic combined financial position, results of operations and cash flows of the Company as if it had operated as a stand-alone entity subject to SunOpta's control.

The Company produces, manufactures and distributes silica-free abrasives and other industrial minerals for the foundry, steel, marine/bridge cleaning and municipal water filtration industries, and recycles inorganic materials under special permits from government authorities at both its Waterdown, Ontario and Norfolk, Virginia sites. The Company services much of the east coast of North America, with production facilities in Louisiana, South Carolina, Virginia, Maryland, New York, Ontario and Québec. In addition to the seven production facilities noted above, the Company owns and operates two distribution and packaging centers located in Lachine, Québec and Drummondville, Québec. The Company also generates revenue from the sale of specialty sands sourced, processed and packaged from the Company's quarry in St. Bruno de Guigues, Québec as well as from the sale of related products and services. The Company's assets, operations and employees are located in the United States and Canada.

The combined statements of earnings include certain management fees (as described in note 7) charged to the Company by SunOpta. The management fees include direct costs incurred by SunOpta for professional services and insurance as well as certain allocations for accounting, treasury and other administrative services provided by SunOpta.

Interest expense for the periods presented includes interest on amounts due to SunOpta and affiliates and interest on external debt.

Income taxes for the Company for the periods presented have been recorded at statutory rates based on income before income taxes as reported in the combined statements of earnings as though the Company was a separate tax paying entity. Future income taxes have been presented in the combined balance sheets for temporary differences between financial reporting and tax bases of the Company's assets and liabilities.

As a result of the basis of presentation described above, the combined statements of earnings for the periods presented may not be necessarily indicative of the operating results that would have been generated had the Company operated as a stand-alone entity for the periods presented. All references to balances as at or for the period ended September 30, 2004 and 2003 are unaudited.

Revenue recognition

Revenue from the Company's operations are recognized when the following four criteria have been satisfied:

- persuasive evidence of an arrangement exists, such as an executed service agreement or other relevant documentation;
- when services are delivered. For the sale of abrasives and industrial minerals, the Company considers services to be delivered upon shipment of materials and transfer of title to the customer. For recycling activities, services are considered to be delivered after materials have been processed and the resulting non-hazardous recycled material is either sold or shipped to third parties or is disposed of;
- the price to the customer is either fixed or determinable; and
- collectability is reasonably assured.

Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term deposits with a maturity at acquisition of less than 90 days.

Inventories

Raw materials and finished goods inventories are recorded at the lower of cost and estimated net realizable value. Cost is determined on a first-in, first-out basis.

Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated amortization.

Amortization is provided on property, plant and equipment on the declining balance basis as follows: 10% to 33% for office furniture and equipment, 20% for machinery and equipment and 4% to 8% for buildings. Amortization is calculated from the time the asset is put into use.

Goodwill and intangible assets

The Company adopted The Canadian Institute of Chartered Accountants' handbook Section 3062, "Goodwill and Intangible Assets", on January 1, 2002. This standard eliminated the need for amortization of goodwill and indefinite life intangible assets. Goodwill represents the excess of the purchase price over the assigned value of net assets acquired. Under the transitional provisions of the standard, a goodwill impairment test was carried out and no impairment was identified on January 1, 2002.

In accordance with the standard, the Company has assessed the carrying value of goodwill for possible impairment and has determined that no such impairment exists as at December 31, 2003. As required by the standard, the rules related to goodwill and other intangible assets have been applied prospectively. On a pro forma basis, the impact of adopting the standard for the year prior to adoption was:

	2001
	\$
Net earnings for the year	487
Add back: Goodwill amortization — net of tax	<u>73</u>
Adjusted net earnings for the year	<u>560</u>

The Company's finite life intangibles are amortized over eight years.

Foreign currency translation

All of the Company's operations are considered self-sustaining operations. The assets and liabilities of the self-sustaining operations are translated at exchange rates in effect at the balance sheets dates. Revenue and expenses are translated at average exchange rates prevailing during the period. Unrealized gains or losses resulting from translating self-sustaining operations are accumulated and reported as currency translation adjustment in divisional equity.

Income taxes

The Company follows the asset and liability method of accounting for income taxes whereby future income tax assets are recognized for deductible temporary differences and operating loss carry-forwards, and future income tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the amounts of assets and liabilities recorded for income tax and financial reporting purposes. Future income tax assets are recognized only to the extent that management determines that it is more likely than not that the future income tax assets will be realized. Future income tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment or substantive enactment. The income tax expense or benefit is the income tax payable or refundable for the period plus or minus the change in future income tax assets and liabilities during the period.

Use of estimates

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

Financial instruments

The Company's financial instruments recognized in the combined balance sheets consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and long-term debt and amounts due to parent and affiliates. The fair values of these instruments approximate their carrying value due to their short-term maturities.

The Company's financial instruments that are exposed to credit risk include cash and cash equivalents and accounts receivable. The Company places its cash and cash equivalents with institutions of high creditworthiness. The Company's trade accounts receivable are not subject to a high concentration of credit risk. The Company routinely assesses the financial strength of its customers and, as a consequence, believes that its accounts receivable credit risk exposure is limited. The Company maintains an allowance for losses based on the expected collectibility of the accounts.

2. Business acquisitions

Distribution A&L

On April 1, 2004, SunOpta acquired the outstanding shares of Distribution A&L for \$500 including acquisition costs. An additional \$500 of contingent consideration may be payable if certain predetermined profit targets are achieved by the acquired business during the period April 1, 2004 to June 30, 2009 and will be recorded as additional goodwill when the amount and outcome of the consideration become determinable. Distribution A&L is included in the manufacturing and distribution operations segment.

Distribution A&L specializes in the distribution of specialty abrasive and related products. Distribution A&L focuses on smaller markets currently not serviced by the Company via its network of selling professionals specializing in the industrial, automotive and pool filtration industries. The skills contained within this operation are key as the Company continues to strategically expand products and sales capabilities.

	<u>\$</u>
Net assets acquired	
Non-cash working capital	313
Property, plant and equipment	165
Goodwill	72
Intangible assets — finite life	200
Future income tax liability	(72)
Debt and other liabilities	<u>(178)</u>
	<u>500</u>
Consideration given	
Cash paid on closing	<u>500</u>

Virginia Materials and International Materials

In 2001, the Company acquired Virginia Materials and 51% of International Materials for total consideration of \$5,544, including debt assumed and deferred purchase consideration. Under the terms of these acquisitions, the Company also agreed to pay the vendor contingent consideration equivalent to 50% of the pre-tax profit generated by these businesses for a two-year period from the date of acquisition. In December 2002, the Company reached an agreement with the vendor to fix this contingent consideration for the period from January 1, 2003 to October 31, 2003 at US\$500. Total contingent consideration paid on the acquisition was \$2,304, and an equal amount was added to goodwill.

On November 1, 2002, the Company acquired the remaining 49% minority interest in International Materials for cash consideration of \$196 (US\$125).

Virginia Materials is a supplier of abrasives to the shipbuilding and bridge repair industry. International Materials produces industrial garnets as a by-product from a mining operation and processes these garnets for sale to the water filtration, water jet cutting and abrasives markets.

3. Inventories

	September 30, 2004	December 31, 2003	2002
	<u>\$</u>	<u>\$</u>	<u>\$</u>
	(unaudited)		
Raw materials	6,180	4,100	4,523
Finished goods	<u>3,732</u>	<u>4,235</u>	<u>2,628</u>
	<u>9,912</u>	<u>8,335</u>	<u>7,151</u>

4. Assets held for sale

Included in assets held for sale at December 31, 2003 are the land and building situated at the Company's former production facility in Hamilton, Ontario. This land and building were sold for proceeds of \$1,325 during 2004.

5. Property, plant and equipment

	September 30, 2004 (unaudited)		
	Cost	Accumulated	Net
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Land and buildings	6,765	1,595	5,170
Machinery and equipment	9,814	3,974	5,840
Office furniture and equipment	<u>1,564</u>	<u>934</u>	<u>630</u>
	<u>18,143</u>	<u>6,503</u>	<u>11,640</u>
	December 31, 2003		
	Cost	Accumulated	Net
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Land and buildings	5,980	1,292	4,688
Machinery and equipment	8,489	3,533	4,956
Office furniture and equipment	<u>1,456</u>	<u>793</u>	<u>663</u>
	<u>15,925</u>	<u>5,618</u>	<u>10,307</u>

	December 31, 2002		
	Cost \$	Accumulated amortization \$	Net \$
Land and buildings	6,421	496	5,925
Machinery and equipment	9,565	3,544	6,021
Office furniture and equipment	1,043	573	470
	<u>17,029</u>	<u>4,613</u>	<u>12,416</u>

6. Goodwill and intangible assets

	September 30, 2004 \$	December 31, 2003 2002 \$ \$	
	(unaudited)		
Goodwill and intangible assets — at cost, less accumulated amortization of \$857 (December 31, 2003 — \$838; 2002 — \$838)	8,080	7,963	9,132
Licences — net	27	34	61
	<u>8,107</u>	<u>7,997</u>	<u>9,193</u>

7. Transactions with related parties

	September 30,		December 31,		
	2004 \$	2003 \$	2003 \$	2002 \$	2001 \$
	(unaudited)				
Accounting, management and administrative services provided by SunOpta	212	316	421	180	180
Interest expense owing to related parties	290	339	556	346	—

8. Due to parent and affiliates

	September 30, 2004 \$	December 31, 2003 2002 \$ \$	
	(unaudited)		
Demand promissory note payable (unsecured) to SunOpta, denominated in U.S. dollars (US\$1,994), with quarterly principal payments Interest based on SunOpta's external term bank debt rate plus 0.50% (3.2% as at September 30, 2004, 2.70% as at December 31, 2003 and 3.50% as at December 31, 2002)	2,515	2,784	3,685
Term promissory note payable (unsecured), due on demand, denominated in U.S. dollars (US\$3,000), to SunOpta bearing interest at 8.75%, interest payable semi-annually, due 2010	3,784	3,890	—
Other amounts due to parent and affiliates (unsecured), due on demand non-interest bearing	10,738	9,842	3,986
Demand promissory note bearing interest at 4.00%, repaid in full during 2003	—	—	2,291
Demand promissory note bearing interest at a rate of 4.00%, repaid in full during 2003	—	—	4,790
Demand promissory note bearing interest at a rate of 4.25%, repaid in full during 2003	—	—	869
	<u>17,037</u>	<u>16,516</u>	<u>15,621</u>

In 2003, as part of SunOpta's consolidated treasury management, certain demand promissory notes were replaced with non-interest bearing debt due on demand.

The Company is currently economically dependent on its parent for financing. Following the completion of the offering described in note 14, the terms of the amounts due to parent and affiliates will be restructured such that the Company will repay \$5,000 on or before February 28, 2005 with the remainder due in four equal installments. In addition, the Company will pay 25% of any net proceeds raised upon the exercise of the warrants to SunOpta or affiliates. The amounts due to parent and affiliates will bear interest at prime plus 1% (interest payable quarterly) and can be repaid at any time.

9. Long-term debt

Long-term debt consists of the following:

	<u>September 30,</u> <u>2004</u> <u>\$</u>	<u>December 31,</u> <u>2003</u> <u>\$</u>	<u>2002</u> <u>\$</u>
	(unaudited)		
Capital lease obligations due in monthly payments of \$2 through 2004 with a weighted average interest rate of 9%	53	9	87
Note payable with annual payments of \$150, interest at 5% payable annually, uncollateralized	<u>300</u>	<u>300</u>	<u>450</u>
	353	309	537
Less: Current portion	<u>178</u>	<u>159</u>	<u>228</u>
	<u>175</u>	<u>150</u>	<u>309</u>

The long-term debt detailed above requires payments as follows:

	<u>September 30,</u> <u>2004</u> <u>\$</u>	<u>December 31,</u> <u>2003</u> <u>\$</u>
	(unaudited)	
2004	165	159
2005	173	150
2006	11	—
2007	<u>4</u>	<u>—</u>
	<u>353</u>	<u>309</u>

The fair value of the Company's long-term debt is not materially different from its carrying value.

10. Preference shares

	<u>September 30,</u> <u>2004</u> <u>\$</u>	<u>December 31,</u> <u>2003</u> <u>\$</u>	<u>2002</u> <u>\$</u>
	(unaudited)		
First preference shares (a)	—	—	200
123,334 (December 31, 2003 — 175,834; 2002 — 245,834) second preference shares (a)	106	149	204
46,412 (December 31, 2003 — 54,788; 2002 — 54,788) H preference shares (b)	<u>46</u>	<u>57</u>	<u>57</u>
	152	206	461
Less: Current portion of preference shares	<u>108</u>	<u>115</u>	<u>312</u>
	<u>44</u>	<u>91</u>	<u>149</u>

a) First and second preference shares

In 1995, SunOpta issued first and second preference shares through a newly created subsidiary, 1108176, as part of the acquisition of Barnes Environmental (now part of the Company). The remaining first preference shares were redeemed in 2003 at \$1 per share. Dividends calculated at 5% per annum were \$nil in 2004 (December 31, 2003 — \$5).

The second preference shares of 1108176 with a stated value of \$1 per share are non-dividend bearing and are redeemable monthly at the rate of 5,833 shares (\$6) per month until fully redeemed. As a result of the fixed repayment requirements, the second preference shares have been discounted at an imputed rate of 8%. During the period, 52,500 (December 31, 2003 — 70,000; 2002 — 70,000) second preference shares were redeemed. Imputed interest on the second preference shares during the period amounted to \$9 (December 31, 2003 — \$15; 2002 — \$20; 2001 — \$24).

b) H preference shares

The Company is required to redeem the H preference shares issued by Temisca, its subsidiary, plus unpaid interest thereon calculated at 3% if certain financial ratios are achieved by Temisca. Upon acquisition of Temisca on October 31, 2000, the Company assigned a fair value of \$427 to the H preference shares based on the Company's anticipated date of redemption at a discount rate of 8%. Since the acquisition of Temisca, the Company has redeemed 371,892 H preference shares at prices ranging from \$0.33 to \$0.83 per share. During the period, 8,376 (December 31, 2003 — nil; 2002 — 54,004) H preference shares were redeemed by the Company, and a gain of \$nil (December 31, 2003 — \$nil; 2002 — \$9; 2001 — \$24) was recorded during the year.

c) The fair values of the second preference shares and the H preference shares are not materially different from their carrying amounts.

11. Income taxes

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

	Nine months ended September 30,		Year ended December 31,		
	2004 %	2003 %	2003 %	2002 %	2001 %
	(unaudited)				
Canadian statutory income tax rates	35.0	34.5	34.3	35.1	37.1
Increase by the effects of statutory rate differences in other jurisdictions	1.2	1.6	1.7	1.7	0.2
Non-deductible expenses	0.1	0.1	(1.8)	(0.6)	4.5
Changes in substantively enacted rates	—	1.0	3.0	0.1	2.0
	<u>36.3</u>	<u>37.2</u>	<u>37.2</u>	<u>36.3</u>	<u>43.8</u>

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

	September 30,	December 31,	
	2004 \$	2003 \$	2002 \$
	(unaudited)		
Differences in property, plant and equipment basis	(726)	(530)	(235)
Differences in goodwill and intangible assets basis	(300)	(230)	(117)
Other	130	130	23
	(896)	(630)	(329)
Valuation allowance	(22)	(22)	(22)
	<u>(874)</u>	<u>(652)</u>	<u>(351)</u>

	September 30,	December 31,	
	2004 \$	2003 \$	2002 \$
	(unaudited)		
Future income tax assets — current	—	44	202
Future income tax liabilities — long-term	(874)	(696)	(553)
	<u>(874)</u>	<u>(652)</u>	<u>(351)</u>

A valuation allowance of \$22 (December 31, 2003 — \$22; 2002 — \$22) has been recorded to reduce the net benefit recorded in the financial statements related to capital loss carry-forwards. The valuation allowance is deemed necessary as a result of the uncertainty associated with the ultimate realization of these capital losses.

12. Segmented information

Industry segments

The Company operates two segments: manufacturing and distribution operations and St. Bruno de Guigues quarry operations. The manufacturing and distribution operations segment processes, distributes and recycles silica-free abrasives and other industrial minerals for the foundry, steel, marine/bridge cleaning and water filtration industries. This segment includes the Company's manufacturing operations in Ontario, Virginia, New York and Louisiana and distribution operations in Québec. The St. Bruno de Guigues quarry operations segment extracts, processes and distributes high-quality sands used for golf bunkers, construction and water filtration.

	Nine months ended September 30, 2004 (unaudited)		
	Manufacturing and distribution operations \$	St. Bruno de Guigues quarry operations \$	Total \$
External revenue by market			
Canada	17,426	1,409	18,835
U.S.	12,617	243	12,860
Other	127	—	127
Total revenue from external customers	<u>30,170</u>	<u>1,652</u>	<u>31,822</u>
Segment net earnings before interest expense and income taxes	3,882	329	4,211
Interest expense			310
Provision for income taxes			1,416
Net earnings			<u>2,485</u>
Total assets	<u>35,237</u>	<u>2,251</u>	<u>37,488</u>
Amortization	<u>784</u>	<u>137</u>	<u>921</u>
Goodwill as at September 30, 2004	<u>8,080</u>	<u>—</u>	<u>8,080</u>
Expenditures on property, plant and equipment	<u>2,180</u>	<u>74</u>	<u>2,254</u>

	Nine months ended September 30, 2003 (unaudited)		
	Manufacturing and distribution operations \$	St. Bruno de Guigues quarry operations \$	Total \$
External revenue by market			
Canada	15,180	1,249	16,429
U.S.	9,590	269	9,859
Other	203	—	203
Total revenue from external customers	<u>24,973</u>	<u>1,518</u>	<u>26,491</u>
Segment net earnings before interest expense and income taxes	2,743	457	3,200
Interest expense			395
Provision for income taxes			1,043
Net earnings			<u>1,762</u>
Total assets	<u>31,578</u>	<u>2,767</u>	<u>34,345</u>
Amortization	<u>867</u>	<u>155</u>	<u>1,022</u>
Goodwill as at September 30, 2003	<u>8,252</u>	<u>—</u>	<u>8,252</u>
Expenditures on property, plant and equipment	<u>750</u>	<u>2</u>	<u>752</u>

	Year ended December 31, 2003		
	Manufacturing and distribution operations \$	St. Bruno de Guigues quarry operations \$	Total \$
External revenue by market			
Canada	19,702	1,574	21,276
U.S.	12,926	323	13,249
Other	256	—	256
Total revenue from external customers	<u>32,884</u>	<u>1,897</u>	<u>34,781</u>
Segment net earnings before interest expense and income taxes	3,009	423	3,432
Interest expense			591
Provision for income taxes			1,058
Net earnings			<u>1,783</u>
Total assets	<u>31,233</u>	<u>3,112</u>	<u>34,345</u>
Amortization	<u>1,126</u>	<u>208</u>	<u>1,334</u>
Goodwill as at December 31, 2003	<u>7,963</u>	<u>—</u>	<u>7,963</u>
Expenditures on property, plant and equipment	<u>1,088</u>	<u>26</u>	<u>1,114</u>

	Year ended December 31, 2002		
	Manufacturing and distribution operations \$	St. Bruno de Guigues quarry operations \$	Total \$
External revenue by market			
Canada	23,617	1,524	25,141
U.S.	12,733	308	13,041
Other	338	—	338
Total revenue from external customers	<u>36,688</u>	<u>1,832</u>	<u>38,520</u>
Segment net earnings before interest expense and income taxes	4,181	612	4,793
Interest expense			470
Provision for income taxes			1,570
Net earnings			<u>2,753</u>
Total assets	<u>31,734</u>	<u>3,524</u>	<u>35,258</u>
Amortization	<u>1,188</u>	<u>219</u>	<u>1,407</u>
Goodwill as at December 31, 2002	<u>9,132</u>	<u>—</u>	<u>9,132</u>
Expenditures on property, plant and equipment	<u>1,580</u>	<u>82</u>	<u>1,662</u>

	Year ended December 31, 2001		
	Manufacturing and distribution operations \$	St. Bruno de Guigues quarry operations \$	Total \$
External revenue by market			
Canada	20,939	1,571	22,510
U.S.	8,284	262	8,546
Other	1	—	1
Total revenue from external customers	<u>29,224</u>	<u>1,833</u>	<u>31,057</u>
Segment net earnings before interest expense and income taxes	951	343	1,294
Interest expense			427
Provision for income taxes			380
Net earnings			<u>487</u>
Total assets	<u>26,682</u>	<u>3,615</u>	<u>30,297</u>
Amortization	<u>838</u>	<u>237</u>	<u>1,075</u>
Goodwill as at December 31, 2001	<u>6,436</u>	<u>—</u>	<u>6,436</u>
Expenditures on property, plant and equipment	<u>1,922</u>	<u>237</u>	<u>2,159</u>

Geographic segments

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

	September 30, 2004 (unaudited)		
	Canada \$	U.S. \$	Total \$
Property, plant and equipment	<u>7,944</u>	<u>3,696</u>	<u>11,640</u>
Goodwill	<u>2,826</u>	<u>5,254</u>	<u>8,080</u>
Total assets	<u>22,474</u>	<u>15,014</u>	<u>37,488</u>

	December 31, 2003		
	Canada \$	U.S. \$	Total \$
Property, plant and equipment	<u>8,282</u>	<u>2,025</u>	<u>10,307</u>
Goodwill	<u>2,562</u>	<u>5,401</u>	<u>7,963</u>
Total assets	<u>21,342</u>	<u>13,003</u>	<u>34,345</u>

	December 31, 2002		
	Canada \$	U.S. \$	Total \$
Property, plant and equipment	<u>9,693</u>	<u>2,723</u>	<u>12,416</u>
Goodwill	<u>2,562</u>	<u>6,570</u>	<u>9,132</u>
Total assets	<u>22,146</u>	<u>13,112</u>	<u>35,258</u>

13. Commitments and contingencies

(a) California action

In June 2004, the Company and one of its subsidiaries were named as defendants in five substantially identical lawsuits in California initiated by, in aggregate, 82 individual plaintiffs against approximately 120 companies in the abrasives industry. The plaintiffs allege that they contracted silicosis as a result of exposure to silica-based products, or through the use of machinery used in connection with such products, distributed by the defendants. 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. The disease occurs

mainly in people who work in sandblasting, as well as mining, quarrying, grinding and those who work in foundries. The quantum of damages sought by the plaintiffs is not specified in the statement of claim. To the knowledge of the Company, neither the Company nor its named subsidiaries have ever distributed silica-based materials or other products used in connection therewith in the State of California. As such, management of the Company believes the claim against the Company and its named subsidiary is without merit. To date, the plaintiff's counsel has agreed to dismiss all five cases against the Company and at least two cases against its subsidiary on a without prejudice basis.

New Jersey action

In June 2004, Virginia Materials, 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 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.

Olivine contamination

In February 2004, the Company's olivine supply was accidentally contaminated with vermiculite while being stored at a storage facility rented by the Company from a non-related party that also stores other products on its site for other customers. Upon receipt of a complaint from a customer in respect of the olivine supplied to it, Company representatives attended at the warehouse facility and observed vermiculite surrounding and on top of the Company's olivine pile. Upon further testing of the pile, the Company determined that pieces of vermiculite were located throughout the pile.

Upon learning of the contamination, the Company immediately quarantined all olivine at its warehouse locations. The Company then informed all of its customers who had potentially purchased the contaminated olivine and had them return all unused olivine for quarantine. To the knowledge of the Company, only four of the Company's customers used the contaminated olivine in their systems and experienced casting defects as a result thereof.

To date, litigation proceedings have not been commenced against the Company in respect of the sale of contaminated olivine. The four customers that used the contaminated olivine have requested reimbursement from the Company for damages arising from its use, which, in the aggregate, total approximately \$480. There may be future claims for reimbursement arising from the contaminated olivine that are not known to the Company at this time. The Company has notified its insurance carrier who is pursuing the matter with representatives of the instigating party and the claimants identified above. The Company does not believe it will be liable beyond payment of its deductible.

Various other claims or potential claims arising in the normal course of business are pending against the Company. It is the opinion of management that these claims or potential claims are without merit and the amount of potential liability, if any, to the Company is not determinable. Management believes the final determination of these claims or potential claims will not materially affect the financial position or results of the Company.

- b) The Company believes, with respect to both its operations and real property, that it is in material compliance with current environmental laws. Based on known existing conditions and the Company's experience in complying with emerging environmental issues, the Company is of the view that future costs relating to environmental compliance will not have a material adverse effect on its financial position, but there can be no assurance that unforeseen changes in the laws or enforcement policies of relevant governmental bodies, the discovery of changed conditions on the Company's real property or in its operations, or changes in use of such properties and any related site restoration requirements, will not result in the incurrence of significant costs. No provision has been made in these combined financial statements for these future costs since such costs, if any, are not determinable at this time.

Letters of credit:

- i) An irrevocable letter of credit for \$750 has been placed with the Ontario Ministry of Environment as a security deposit for the Certificate of Approval granted to the Company for certain recycling activities. This letter of credit must remain in place indefinitely as a condition of the Certificate of Approval.
 - ii) An irrevocable letter of credit for \$253 has been placed with the Commonwealth of Virginia Department of Environmental Qualities as a security deposit for the Certificate of Approval granted to the Company for certain recycling activities. This letter of credit must remain in place indefinitely as a condition of the Certificate of Approval.
 - iii) Additional letters of credit totalling \$90 have been placed with third parties as security on transactions occurring in the ordinary course of operations.
- c) A first priority charge against substantially all of the assets of the Company has been provided to certain creditors of SunOpta. As part of the offering described in note 14, this security will be released.

d) Future commitments under operating leases, principally for distribution centres, warehouse and equipment, are as follows:

	September 30, 2004	December 31, 2003
	\$	\$
	(unaudited)	
2004	206	566
2005	724	522
2006	540	380
2007	511	377
2008	476	332
Thereafter	<u>1,030</u>	<u>672</u>
	<u>3,487</u>	<u>2,849</u>

14. Subsequent event

Initial public offering

On February 7, 2005, Opta Minerals Inc. filed a prospectus to issue 4,500,000 units, each consisting of one common share and one half of a common share purchase warrant, as part of an initial public offering. Immediately prior to the completion of the offering, the net assets and businesses constituting the Company will be transferred to Opta Minerals Inc. (a wholly owned subsidiary of SunOpta).

Stock option and Employee Stock Purchase plans

As part of the initial public offering described above, the Company has reserved 750,000 common shares for issuance under the Company's stock option plan to officers, directors, employees and consultants of the Company, subject to approval by its Board of Directors. The options will be granted at the discretion of the Board of Directors and vest 20% immediately and 20% per annum over a four-year period. The options will expire ten years following date of grant.

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

CERTIFICATE OF THE COMPANY

Dated: February 7, 2005

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part 9 of the *Securities Act* (British Columbia), by Part 9 of the *Securities Act* (Alberta), by Part XI of *The Securities Act, 1988* (Saskatchewan), by Part VII of *The Securities Act* (Manitoba), by Part XV of the *Securities Act* (Ontario), by Part 6 of the *Securities Act* (New Brunswick), by Section 63 of the *Securities Act* (Nova Scotia), by Part II of the *Securities Act* (Prince Edward Island) and by Part XIV of the *Securities Act, 1990* (Newfoundland and Labrador), and the respective regulations thereunder. This prospectus, as required by the *Securities Act* (Québec) and the regulations under that act, does not contain any misrepresentation that is likely to affect the value or the market price of the securities to be distributed.

OPTA MINERALS INC.

By: (Signed) DAVID KRUSE
President and Chief Executive Officer

By: (Signed) JAMES WILSON
Chief Financial Officer

On behalf of the Board of Directors:

By: (Signed) JEREMY KENDALL
Director

By: (Signed) STEVEN BROMLEY
Director

On behalf of the Promoter:

SUNOPTA INC.

(Signed) JEREMY KENDALL
Chairman and Chief Executive Officer

CERTIFICATE OF THE UNDERWRITERS

Dated: February 7, 2005

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part 9 of the *Securities Act* (British Columbia), by Part 9 of the *Securities Act* (Alberta), by Part XI of *The Securities Act, 1988* (Saskatchewan), by Part VII of *The Securities Act* (Manitoba), by Part XV of the *Securities Act* (Ontario), by Part 6 of the *Securities Act* (New Brunswick), by Section 64 of the *Securities Act* (Nova Scotia), by Part II of the *Securities Act* (Prince Edward Island) and by Part XIV of the *Securities Act, 1990* (Newfoundland and Labrador), and the respective regulations thereunder. To our knowledge, this prospectus, as required by the *Securities Act* (Québec) and the regulations under that act, does not contain any misrepresentation that is likely to affect the value or the market price of the securities to be distributed.

LOEWEN, ONDAATJE, MCCUTCHEON LIMITED

By: (Signed) GARRETT HERMAN

FIRST ASSOCIATES INVESTMENTS INC.

CANACCORD CAPITAL CORPORATION

By: (Signed) A. G. RHIND

By: (Signed) RON RIMER

 **Opta Minerals Inc.**


Une compagnie de Opta Minerals


Virginia Materials Inc.
an Opta Minerals Company


an Opta Minerals Company


International Garnet
an Opta Minerals Company


Distribution A & L
Une compagnie de Opta Minerals

PRODUCTS

ABRASIVES (SILICA FREE)

- Ebonygrit – copper slag
- Barshot/Crystalgrit – specular hematite
- Blackblast – coal slag
- Powerblast – nickel slag
- Econoblast – recycled cullet
- Garnet – for blast cleaning
- Garnet – for water filtration
- Garnet – for water-jet cutting
- Glass Beads
- Crushed Glass
- Plastic Media
- Starblast
- Steel Shot & Grit
- Stainless Steel Shot & Grit
- Corn Cobs
- Walnut Shells
- Aluminum Oxide

STEEL MILL & FOUNDRY PRODUCTS

- Nozzlesand for ladles and furnaces
- Zircon and chromite based nozzle sands various blends made in Waterdown
- EBT sands-olivine and silica
- Golden Ram runner sands for blast furnaces and smelters
- Magnetite iron oxide for acid regeneration
- Tundish backing sands - silica and olivine
- Cutting powders for oxygen burning of steel
- Traction sand for trains
- Bentonite clay for palletizing applications

GOLF PRODUCTS

- **Bunker Sand**
- Best Tour Grade 530 and 535 from Best Sand Corp.
- Best Signature and Signature/535 Blends
- Temisca Bunker Sands from Temisca Inc.
- **Bentonite Clay**
- Clays for pond sealing
- **Water Filtration Media**
- Silica Sand for water filtration
- **Silica and non silica sands**
- Topping sands for artificial turf and putting greens

CONSTRUCTION PRODUCTS

- **BARCO SILICA SANDS**
- A range of white, high purity silica sands.
- Round grain sands from GFN 32 to GFN 110(150-600 micron).
- The Barco products are 99%+ round white silica sands imported from US Silica in Illinois. The high silica content produces a hard round grain with good flow properties and gives excellent smoothingproperties to any trowel-on mix.
- **St. BRUNO SILICA**
- A range of beige to brown silica sands 92-95% Silica
- Sizes from GFN 10- GFN 50 (300-2000 micron)
- Round to sub angular
- Quebec SourceThe Temisca products are an excellent source of round to sub angular sands, especially in the coarser grades. A number of standard grades are always available and custom blends can be produced to meet specific requirements.
- **SILICA FLOUR**
- A range of silica flour products, in a wide range of available sizes
- **FILTRATION SAND**
- Filtration sands for all applications
- Custom screening to give the desired Uniformity Coefficients (from 1.3- 1.6)
- High Silica (95%) for good crush resistance
- **GARNET**
- A wide range of alluvial and hard rock garnets
- Filtration, abrasive and water jet grades.
- Sizes from GFN 12 to GFN 120 available

RECYCLING SERVICES

- Recycling of non hazardous industrial minerals of non-hazardous minerals like BOF cake, slag

BLAST CLEANING EQUIPMENT & CABINETS

- Clemco Industries
- Apollo (Clemco Industries)
- Bullard (Bullard)
- Clemco Industries
- Maco Abrasives
- Econoline Manufacturing
- Hoffman Blast Room Equipment



Opta Minerals Inc.