

Opta Minerals Inc.

Consolidated Financial Statements
September 30, 2007 and December 31, 2006
(Unaudited)
(expressed in thousands of U.S. dollars)

Opta Minerals Inc.
Consolidated Balance Sheets
(Unaudited)

(expressed in thousands of U.S. dollars)

	September 30, 2007 \$	December 31, 2006 \$	September 30, 2006 \$
Assets			
Current assets			
Cash and cash equivalents	3,999	854	2,685
Accounts receivable	11,298	8,111	8,448
Inventories	17,973	14,057	12,690
Prepaid expenses and other current assets	2,225	1,492	1,634
Income taxes recoverable	-	248	-
	35,495	24,762	25,457
Property, plant and equipment	19,940	17,615	15,549
Intangible and other assets (note 4)	33,091	20,644	18,440
Goodwill	10,425	10,169	7,569
Future income taxes	895	803	649
	99,846	73,993	67,664
Liabilities			
Current liabilities			
Bank indebtedness	6,551	6,752	4,323
Accounts payable and accrued liabilities	6,488	4,891	5,332
Current portion of long-term debt (note 5)	6,628	2,496	2,589
Current portion of preference shares	47	39	41
Income taxes payable	971	-	49
	20,685	14,178	12,334
Long-term debt (note 5)	23,706	12,749	12,612
Other long-term liabilities	1,624	2,150	-
Future income taxes	12,660	10,768	9,003
	58,675	39,845	33,949
Shareholders' Equity			
Capital stock			
Authorized			
Unlimited number of common shares and preference shares without par value			
Issued			
17,981,256 (December 31, 2006 – 16,964,539; September 30, 2006 – 16,961,563) common shares	17,509	14,082	14,072
Contributed surplus	1,312	1,213	1,178
Retained earnings	18,949	15,960	15,296
Accumulated other comprehensive income	3,401	2,893	3,169
	41,171	34,148	33,715
	99,846	73,993	67,664

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

Approved by the Board of Directors

(signed) "Jeremy Kendall"

Director

(signed) "Victor Hepburn"

Director

Opta Minerals Inc.

Consolidated Statements of Earnings

(Unaudited)

For the three-month periods ended September 30, 2007 and 2006

(expressed in thousands of U.S. dollars except per share amounts)

	2007 \$	2006 \$
Revenue	20,485	16,743
Cost of goods sold	15,347	12,331
Gross profit	5,138	4,412
Selling, general and administrative expenses	2,581	2,085
Earnings before the following	2,557	2,327
Interest expense on long-term debt	280	288
Interest expense - net	118	113
Amortization of intangible assets	349	259
Stock compensation expense	49	62
Other expense (note 5)	137	-
Foreign exchange (gain) loss	(77)	7
	856	729
Earnings before income taxes	1,701	1,598
Provision for income taxes (note 6)	443	567
Net earnings for the period	1,258	1,031
Earnings per share for the period (note 7)		
Basic and diluted	0.07	0.06

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

Opta Minerals Inc.

Consolidated Statements of Earnings

(Unaudited)

For the nine-month periods ended September 30, 2007 and 2006

(expressed in thousands of U.S. dollars, except per share amounts)

	2007 \$	2006 \$
Revenue	55,337	48,241
Cost of goods sold	41,700	36,406
Gross profit	13,637	11,835
Selling, general and administrative expenses	7,015	5,749
Earnings before the following	6,622	6,086
Interest expense on long-term debt	817	775
Interest expense - net	336	321
Amortization of intangible assets	935	622
Stock compensation expense	118	135
Other expense (note 5)	137	-
Foreign exchange gain	(178)	(194)
	2,165	1,659
Earnings before income taxes	4,457	4,427
Provision for income taxes (note 6)	1,344	1,550
Net earnings for the period	3,113	2,877
Earnings per share for the period (note 7)		
Basic and diluted	0.18	0.17

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

Opta Minerals Inc.

Consolidated Statements of Comprehensive Income

(Unaudited)

For the three-month periods ended September 30, 2007 and 2006

(expressed in thousands of U.S. dollars)

	2007	2006
	\$	\$
Net income	1,258	1,031
Other comprehensive income (loss)		
Unrealized loss on translation of foreign operations	(53)	(9)
Unrealized gain on financial derivatives	241	-
Comprehensive income	<u>1,446</u>	<u>1,022</u>

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

Opta Minerals Inc.

Consolidated Statements of Comprehensive Income

(Unaudited)

For the nine-month periods ended September 30, 2007 and 2006

(expressed in thousands of U.S. dollars)

	2007	2006
	\$	\$
Net income	3,113	2,877
Other comprehensive income (loss)		
Unrealized gain on translation of foreign operations	267	282
Unrealized gain on financial derivatives	241	-
Comprehensive income	<u>3,621</u>	<u>3,159</u>

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

Opta Minerals Inc.

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

For the three-month periods ended ended September 30, 2007 and 2006

(expressed in thousands of U.S. dollars)

	2007	2006
	\$	\$
Retained earnings - Beginning of period	17,691	14,265
Net earnings for the period	<u>1,258</u>	<u>1,031</u>
Retained earnings - End of period	<u>18,949</u>	<u>15,296</u>
Accumulated other comprehensive income - Beginning of period	3,213	3,178
Unrealized loss on translation of foreign operations	(53)	(9)
Unrealized gain on financial derivatives	<u>241</u>	<u>-</u>
Accumulated other comprehensive income - End of period	<u>3,401</u>	<u>3,169</u>

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

Opta Minerals Inc.

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

For the nine-month periods ended September 30, 2007 and 2006

(expressed in thousands of U.S. dollars)

	2007	2006
	\$	\$
Retained earnings - Beginning of period	15,960	12,419
Impact of adopted accounting pronouncements on January 31, 2007 (note 3)	(124)	-
Net earnings for the period	3,113	2,877
Retained earnings - End of period	<u>18,949</u>	<u>15,296</u>
Accumulated other comprehensive income - Beginning of period	2,893	2,887
Unrealized gain on translation of foreign operations	267	282
Unrealized gain on financial derivatives	241	-
Accumulated other comprehensive income - End of period	<u>3,401</u>	<u>3,169</u>

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

Opta Minerals Inc.

Consolidated Statements of Cash Flows

(Unaudited)

For the three month periods ended September 30, 2007 and 2006

(expressed in thousands of U.S. dollars)

	2007	2006
	\$	\$
Cash provided by (used in)		
Operating activities		
Net earnings for the period	1,258	1,031
Items not affecting cash		
Amortization of property, plant and equipment	568	487
Amortization of intangible assets	349	259
Amortization of deferred financing costs	-	19
Stock compensation expense	49	62
Future income taxes	(620)	40
Unrealized foreign exchange (gain) loss	(62)	5
	<u>1,542</u>	<u>1,903</u>
Changes in non-cash working capital		
Accounts receivable	58	167
Inventories	(614)	289
Prepaid expenses and other current assets	(862)	149
Accounts payable and accrued liabilities	743	1,179
Income taxes payable	998	(304)
	<u>1,865</u>	<u>3,383</u>
Investing activities		
Acquisition of property, plant and equipment	(275)	(297)
Additional consideration paid on acquisitions	(7)	(23)
Proceeds on disposal of property, plant and equipment	11	-
Acquisition of company, net of cash acquired (note 4)	(6,204)	-
	<u>(6,475)</u>	<u>(320)</u>
Financing activities		
Proceeds from issuance of common shares – net of issuance costs	18	11
Decrease in bank indebtedness	(2,157)	(1,930)
Proceeds from long-term debt (note 5)	21,584	-
Repayment of long-term debt (note 5)	(11,251)	(290)
Repayment of due to affiliates – net	-	18
	<u>8,194</u>	<u>(2,191)</u>
Increase in cash and cash equivalents during the period	3,584	872
Cash and cash equivalents - Beginning of period	<u>415</u>	<u>1,813</u>
Cash and cash equivalents - End of period	<u>3,999</u>	<u>2,685</u>
Supplemental cash flow information		
Interest paid	336	297
Income taxes paid	2	911

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

Opta Minerals Inc.

Consolidated Statements of Cash Flows

(Unaudited)

For the nine-month periods ended September 30, 2007 and 2006

(expressed in thousands of U.S. dollars)

	2007	2006
	\$	\$
Cash provided by (used in)		
Operating activities		
Net earnings for the period	3,113	2,877
Items not affecting cash		
Amortization of property, plant and equipment	1,471	1,254
Amortization of intangible assets	935	622
Amortization of deferred financing costs	-	68
Stock compensation expense	118	135
Future income taxes	(795)	251
Unrealized foreign exchange gain	(365)	(88)
Net loss on disposals of property, plant and equipment	7	-
	<u>4,484</u>	<u>5,119</u>
Changes in non-cash working capital		
Accounts receivable	(1,358)	(982)
Inventories	(2,194)	2,294
Prepaid expenses and other current assets	(209)	101
Accounts payable and accrued liabilities	170	1,135
Income taxes payable	1,194	(425)
	<u>2,087</u>	<u>7,242</u>
Investing activities		
Acquisition of property, plant and equipment	(1,675)	(1,023)
Additional consideration paid on acquisitions	(31)	(52)
Proceeds on disposal of property, plant and equipment	29	-
Acquisition of company, net of cash acquired (note 4)	(6,204)	(18,987)
	<u>(7,881)</u>	<u>(20,062)</u>
Financing activities		
Deferred financing costs	-	(66)
Proceeds from issuance of common shares – net of issuance costs	64	25
Increase (decrease) in bank indebtedness	(1,215)	4,286
Proceeds from long-term debt (note 5)	23,081	8,542
Repayment of long-term debt (note 5)	(12,991)	(772)
Repayment of due to affiliates – net	-	10
Purchase and redemption of preference shares of subsidiary companies	-	(26)
	<u>8,939</u>	<u>11,999</u>
Increase (decrease) in cash and cash equivalents during the period	<u>3,145</u>	<u>(821)</u>
Cash and cash equivalents - Beginning of period	<u>854</u>	<u>3,506</u>
Cash and cash equivalents - End of period	<u>3,999</u>	<u>2,685</u>
Supplemental cash flow information		
Interest paid	1,290	816
Income taxes paid	977	1,689

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

Opta Minerals Inc.

Notes to Consolidated Financial Statements

(Unaudited)

September 30, 2007 and 2006

(expressed in thousands of U.S. dollars, except per share amounts)

1 Interim financial statements

The interim consolidated financial statements of Opta Minerals Inc. (the Company) have been prepared in accordance with Canadian generally accepted accounting principles. Accordingly, these financial statements do not include all of the disclosures required by Canadian generally accepted accounting principles for annual financial statements and therefore should be read in conjunction with the Company's audited consolidated financial statements, and notes thereto, for the year ended December 31, 2006. In the opinion of management, all adjustments considered necessary for fair presentation have been included, and all such adjustments are of a normal, recurring nature. Operating results for the nine-month period ended September 30, 2007 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2007. As a result of the acquisition of Newco, a.s. as described in note 4, the comparative figures are not directly comparable with the current period. Except as described in note 3, the accounting policies followed by the Company are the same as those disclosed in the Company's consolidated financial statements, and notes thereto, for the year ended December 31, 2006.

2 Basis of presentation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Opta Minerals (USA) Inc.; Virginia Materials Inc. (Virginia Materials); International Materials & Supplies Inc. (International Materials); Temisca Inc. (Temisca); Magnesium Technologies Corporation (Magtech); MTI 02-2006 Inc.; OPM 01-2006 Inc.; Bimac Inc. (Bimac) and Newco, a.s (Newco). All significant intercompany accounts and transactions have been eliminated on consolidation.

Opta Minerals Inc. is a vertically integrated producer, manufacturer, distributor and recycler of industrial minerals, silica-free loose abrasives, roofing shingle granules, specialty sands and related products for use primarily in the foundry, steel, marine/bridge cleaning and municipal water filtration industries. Further details are disclosed in the Company's Annual Report for the year ended December 31, 2006 that is available on SEDAR at www.sedar.com.

Opta Minerals Inc.

Notes to Consolidated Financial Statements

(Unaudited)

September 30, 2007 and 2006

(expressed in thousands of U.S. dollars, except per share amounts)

3 Summary of significant accounting policies

Change in reporting currency

The Company has historically prepared its consolidated financial statements in Canadian dollars. As a result of the continued expansion of the Company's U.S. operations, a significant U.S. customer base and because the majority of its revenue and assets are denominated in U.S. dollars, the Company has elected to adopt the U.S. dollar as its reporting currency effective April 1, 2007. In making this change in reporting currency, the Company has followed the recommendations of the Emerging Issues Committee ("EIC") of the Canadian Institute of Chartered Accountants ("CICA"), set out in EIC-130, "Translation Method when the Reporting Currency Differs from the Measurement Currency or there is a Change in the Reporting Currency".

Based on EIC-130, the financial statements for all periods presented have been translated into U.S. dollars using the current rate method. The assets and liabilities were translated into U.S. dollars using the exchange rate in effect at each period-end. Capital stock and contributed surplus have been translated into U.S. dollars using the average exchange rate applicable during the month in which the transaction took place. Revenues and expenses were translated at the average monthly rate during the period. All exchange differences resulting from the translation are included in the accumulated other comprehensive income in shareholders' equity.

All comparative financial information has been restated to reflect the Company's results if they had been historically reported in U.S. dollars.

Except as follows, the accounting policies followed by the Company are the same as those disclosed in the Company's consolidated financial statements, and notes thereto, for the year ended December 31, 2006.

Recently adopted accounting pronouncements

On January 1, 2007, the Company adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Sections 1530 "Comprehensive Income", 3251 "Equity" and 3855 "Financial instruments".

CICA Section 1530 established standards for reporting and presenting comprehensive income which is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income that are excluded from net income calculated in accordance with generally accepted accounting principles.

CICA Section 3251 established standards for the presentation of equity and changes in equity during the period. Accumulated other comprehensive income is included on the consolidated balance sheet as a separate component of shareholders' equity, and includes the foreign currency cumulative translation adjustment.

Upon transition to CICA Section 3251, Equity, the Company reclassified the cumulative translation adjustment to accumulated other comprehensive income for both periods presented on the consolidated balance sheet.

Opta Minerals Inc.

Notes to Consolidated Financial Statements

(Unaudited)

September 30, 2007 and 2006

(expressed in thousands of U.S. dollars, except per share amounts)

CICA Section 3855 prescribes when a financial asset, financial liability or non-financial derivative is to be recognized on the balance sheet and at what amount, requiring fair value or cost based measures under different circumstances. Transaction costs related to held to maturity financial liabilities are charged to interest expense as incurred.

Upon transition to CICA Section 3855, Financial Instruments – Recognition and measurement on January 1, 2007, the Company reclassified \$124 of deferred financing costs to retained earnings.

In connection with the Company's new credit facilities (note 5), the Company negotiated an interest rate swap, designated as a cash flow hedge, and the Company has elected to apply hedge accounting for this swap based upon the criteria set out in CICA Section 3865. As a result, the fair value of the swap is recorded on the balance sheet and any changes in its fair value will be recognized in the statement of other comprehensive income.

Recently issued accounting pronouncements

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

- a) CICA Handbook Section 1535 "Capital Disclosures" establishes standards for disclosing information about a Company's capital and how it is managed to enable users of the financial statements to evaluate the Company's objectives, policies and procedures for managing capital. This section is effective for the fiscal years beginning on or after October 1, 2007.
- b) CICA Handbook Section 3862 "Financial Instruments – Disclosures" requires disclosures in the financial statements that will enable users to evaluate: the significance of financial instruments for the company's financial position and performance; and the nature and extent of risks arising from financial instruments to which the company is exposed during the period and at the balance sheet date, and how the company manages those risks. This accounting standard is effective for fiscal years beginning on or after October 1, 2007.
- c) CICA Handbook Section 3863 "Financial Instruments – Presentation" establishes standards for presentation of financial instruments and non-financial derivatives. This section complements the existing CICA Handbook Section 3861 – Financial Instruments – Disclosure and Presentation and is effective for fiscal years beginning on or after October 1, 2007.
- d) CICA Handbook Section 3031 "Inventories" provides guidance on the determination of cost and its subsequent recognition as an expense, including any write-down to net realizable value. It also provides guidance on the cost formulas that are used to assign costs to inventories and is effective for the fiscal years beginning on or after January 1, 2008.

The Company is currently evaluating the impact of adopting the above accounting standards.

Opta Minerals Inc.

Notes to Consolidated Financial Statements

(Unaudited)

September 30, 2007 and 2006

(expressed in thousands of U.S. dollars, except per share amounts)

Use of estimates

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

4 Business acquisition

Acquisition of Newco, a.s.

On July 30, 2007, the Company acquired 100% of the outstanding common shares of Newco, a.s. (Newco) of Kosice, Slovakia. The total purchase price of \$16,116 was comprised as follows:

	\$
Cash and acquisition costs	9,355
Common shares (a)	3,344
Promissory note (b)	2,662
Other consideration (c)	<u>755</u>
Purchase price	<u>16,116</u>

- a) Common shares – 1,000,000 common shares with a value of Cdn. \$3.55 per share were granted and placed into escrow. Trading restrictions were attached to the shares issued whereby the holders are not allowed to sell the shares for a 9 to 18 month period following the acquisition. The share consideration was reduced by Cdn. \$0.80 per share to account for the effect of the trading restriction on the fair value of the shares.
- b) Promissory note – the non-interest bearing promissory note in the amount of Skk 67,626,000 is due in full on or before February 29, 2008.
- c) Other consideration – the acquisition of Magnesium Technologies in 2006 included an acquired intangible assigned to a profit sharing agreement. This profit sharing agreement gave the Company the legal right to receive a set percentage of the net income of Newco and was terminated effective July 30, 2007 in conjunction with the acquisition. The fair value of the related intangible in the amount of \$755 was included as part of the purchase consideration.

Newco operates its production facility in Kosice, Slovakia producing and distributing its proprietary desulphurization and refractory products and provides customer specific technical service.

The results of Newco were consolidated with those of the Company effective July 30, 2007.

Opta Minerals Inc.

Notes to Consolidated Financial Statements

(Unaudited)

September 30, 2007 and 2006

(expressed in thousands of U.S. dollars, except per share amounts)

The following table summarizes the estimated fair value of the assets acquired and liabilities assumed at the date of acquisition. These fair values are based on management's estimates and are subject to change once final valuations and restructuring plans have been completed.

	\$
Net assets acquired	
Cash	3,151
Accounts receivable	1,254
Inventories	291
Prepaid expenses and other assets	2
Property, plant and equipment	839
Intangible assets	13,800
Accounts payable and accrued liabilities	(455)
Income taxes payable	(26)
Future income taxes	<u>(2,740)</u>
	<u>16,116</u>

The acquired intangible assets in the amount of \$13,800 were assigned to customer relationships. The intangible assets acquired are subject to amortization and are not deductible for tax purposes.

Opta Minerals Inc.

Notes to Consolidated Financial Statements

(Unaudited)

September 30, 2007 and 2006

(expressed in thousands of U.S. dollars, except per share amounts)

5 Long-term debt and banking facilities

Long-term debt consists of the following:

	September 30, 2007 \$	December 31, 2006 \$
Term loan payable with quarterly instalments of Cdn.\$312 plus interest (a)	12,565	-
Drawing on acquisition facility with quarterly instalments of Cdn. \$260 plus interest (c)	10,444	-
Term loan payable with quarterly instalments of Cdn. \$213 plus interest, payable monthly	-	6,146
Term loan payable with quarterly instalments of \$69 plus interest, payable monthly	-	2,334
Drawings on acquisition facility with quarterly instalments of \$50 plus interest, payable monthly	-	950
Promissory note payable with annual instalments of \$1,500 plus interest at 5.60%, payable annually	4,500	5,623
Non-interest bearing promissory note due February 28, 2008	2,758	-
Term loan payable with monthly instalments of \$14 on account of principal and interest of 5.25%	61	160
Capital lease obligations due in monthly instalments of \$2 through 2007, with an interest rate of 4.50%	6	32
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	30,334	15,245
Less: Current portion	6,628	2,496
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	23,706	12,749
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Opta Minerals Inc.

Notes to Consolidated Financial Statements

(Unaudited)

September 30, 2007 and 2006

(expressed in thousands of U.S. dollars, except per share amounts)

On July 31, 2007, the Company changed its credit agreement and banking facilities with another Canadian financial institution. In connection with the restructuring of its credit agreement, the Company incurred restructuring expenses in the amount of \$137 relating to legal and associated costs which is included in other expenses on the consolidated statement of earnings.

The terms of the credit agreement are as follows:

a) Term loan facility

The Company's term loan facility is Cdn.\$12,500 and has been fully drawn in Canadian dollars. The facility matures on July 30, 2012 and is renewable at the option of the lender and the Company. The facility was drawn to assist in the refinancing of the indebtedness of the Company's previous credit agreement. Funds were drawn through both bankers' acceptances and direct advances. Interest on the bankers' acceptances was paid in advance and interest on the direct advances is payable monthly at prime plus a margin based on certain financial ratios of the Company.

b) Line of credit facility

The Company's line of credit facility is Cdn.\$12,500. As at September 30, 2007, \$7,569 of this facility has been utilized, including letters of credit in the amount of \$1,018. Interest on borrowing under this facility accrues at the borrower's option based on various reference rates including prime, U.S. dollar base rate, bankers' acceptances or LIBOR plus a margin based on certain financial ratios of the Company.

c) Revolving acquisition facility

The Company retains a Cdn.\$20,000 facility to finance future acquisitions and capital expenditures. The facility is subject to certain draw restrictions. During the third quarter of 2007, an amount of Cdn.\$10,390 was drawn to assist with the acquisition of Newco, a.s.. Principal is payable quarterly equal to one fortieth of the drawdown amount. The facility is revolving for one year with a 5 year term-out option. Any remaining outstanding principal under this facility is due upon maturity. Interest on borrowing under this facility accrues at the borrower's option based on various reference rates including prime, U.S. dollar base rate, bankers' acceptances or LIBOR plus a margin based on certain financial ratios of the Company.

The line of credit facility, along with the unused portion of the revolving acquisition facility, is subject to annual extensions. The credit facilities described above are collateralized by a first priority security against substantially all of the Company's assets in both Canada and the United States. The promissory notes are subordinated to the term loan, line of credit facility and revolving acquisition facility.

Opta Minerals Inc.

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(expressed in thousands of U.S. dollars, except per share amounts)

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

	\$
2007	6,628
2008	3,798
2009	3,801
2010	2,301
2011	2,301
Thereafter	11,505
	<hr/>
	30,334
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6 Income taxes

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

	Nine-month period ended September 30, 2007 %	Nine-month period ended September 30, 2006 %
Canadian statutory income tax rates	35.6	36.1
Manufacturing and processing credits	(1.5)	(1.5)
Non-deductible stock compensation expense	0.9	1.1
Statutory rate differences in other jurisdictions	(4.5)	(0.2)
Other	(0.3)	(0.5)
	<hr/>	<hr/>
	30.2	35.0
	<hr/>	<hr/>
	Three-month period ended September 30, 2007 %	Three-month period ended September 30, 2006 %
Canadian statutory income tax rates	35.6	36.1
Manufacturing and processing credits	(1.5)	(1.5)
Non-deductible stock compensation expense	1.0	1.3
Statutory rate differences in other jurisdictions	(7.9)	(0.2)
Other	(1.2)	(0.2)
	<hr/>	<hr/>
	26.0	35.5
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Opta Minerals Inc.

Notes to Consolidated Financial Statements

(Unaudited)

September 30, 2007 and 2006

(expressed in thousands of U.S. dollars, except per share amounts)

7 Earnings per share

Earnings per share are calculated using the weighted average number of shares outstanding. The following table reconciles the net earnings and the number of shares for the basic and diluted earnings per share calculations for the three month and nine month periods ended September 30, 2007 and 2006:

	For the three month period ended September 30, 2007		
	Net earnings attributable to common shareholders \$	Weighted average number of shares	Per share amount \$
Basic	1,258	17,260,544	0.07
Dilutive effect of stock options	-	159,159	-
Dilutive	1,258	17,419,703	0.07

	For the nine month period ended September 30, 2007		
	Net earnings attributable to common shareholders \$	Weighted average number of shares	Per share amount \$
Basic	3,113	17,067,070	0.18
Dilutive effect of stock options	-	164,421	-
Dilutive	3,113	17,231,491	0.18

Opta Minerals Inc.

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(Unaudited)

September 30, 2007 and 2006

(expressed in thousands of U.S. dollars, except per share amounts)

	For the three month period ended September 30, 2006		
	Net earnings attributable to common shareholders \$	Weighted average number of shares	Per share amount \$
Basic	1,031	16,958,752	0.06
Dilutive effect of stock options	-	73	-
Dilutive	1,031	16,958,825	0.06

	For the nine month period ended September 30, 2006		
	Net earnings attributable to common shareholders \$	Weighted average number of shares	Per share amount \$
Basic	2,877	16,955,990	0.17
Dilutive effect of stock options	-	365	-
Dilutive	2,877	16,956,355	0.17

Opta Minerals Inc.

Notes to Consolidated Financial Statements

(Unaudited)

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(expressed in thousands of U.S. dollars)

8 Segmented information

Industry segments

The Company operates in two industry segments.

a) Mill & foundry products and services operations

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

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

b) Abrasive products manufacturing and distribution operations

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

This segment includes the Company's manufacturing operations in Norfolk Virginia; Baltimore, Maryland; Hardeeville, South Carolina; New Orleans, Louisiana; Keesville and Attica New York; Waterdown, Ontario; St. Bruno de Guigues, Quebec and distribution operations in St-Germain-de-Grantham, Quebec.

Opta Minerals Inc.

Notes to Consolidated Financial Statements

(Unaudited)

September 30, 2007 and December 31, 2006

(expressed in thousands of U.S. dollars)

The prior year comparative amounts have been reclassified to conform to the current period's presentation. The production of certain steel and foundry products continued in the Waterdown facility until March 2006 before being transferred to the Brantford operations and have been included in the abrasive products manufacturing and distribution operations segment for the three months ended March 31, 2006 as the information to discretely segregate the Waterdown and Brantford segment net earnings before interest expense and income taxes for this operation is not available.

Furthermore, the previously reported St. Bruno de Guigues quarry operation segment has been eliminated as, subsequent to the prior year's acquisitions, the former segment's results no longer meet the criteria for separate disclosure. The results are now included in the abrasive products manufacturing and distribution operations.

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

Opta Minerals Inc.

Notes to Consolidated Financial Statements

(Unaudited)

September 30, 2007 and December 31, 2006

(expressed in thousands of U.S. dollars)

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

	Three-month period ended September 30, 2007			
	Mill and foundry products & services	Abrasive products manufacturing and distribution operations	Unallocated	Total
	\$	\$	\$	\$
External revenue by market				
Canada	3,164	1,963	-	5,127
U.S.	9,637	4,363	-	14,000
Europe	1,326	-	-	1,326
Other	22	10	-	32
Total revenue from external customers	<u>14,149</u>	<u>6,336</u>	<u>-</u>	<u>20,485</u>
Segment net earnings before interest expense and income taxes	1,786	917	(604)	2,099
Interest expense on long-term debt				280
Interest expense				118
Provision for income taxes				<u>443</u>
Net earnings for the period				<u>1,258</u>
Total assets as at September 30, 2007	<u>62,421</u>	<u>34,680</u>	<u>2,745</u>	<u>99,846</u>
Amortization of property, plant and equipment	<u>269</u>	<u>292</u>	<u>7</u>	<u>568</u>
Amortization of intangible assets	<u>337</u>	<u>12</u>	<u>-</u>	<u>349</u>
Goodwill and intangible assets as at September 30, 2007	<u>36,199</u>	<u>7,317</u>	<u>-</u>	<u>43,516</u>
Expenditures on property, plant and equipment	<u>131</u>	<u>143</u>	<u>1</u>	<u>275</u>

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

Opta Minerals Inc.

Notes to Consolidated Financial Statements

(Unaudited)

September 30, 2007 and December 31, 2006

(expressed in thousands of U.S. dollars)

	Nine-month period ended September 30, 2007			
	Mill and Foundry products & services	Abrasive products manufacturing and distribution operations	Unallocated	Total
	\$	\$	\$	\$
External revenue by market				
Canada	8,569	4,734	-	13,303
U.S.	27,522	12,812	-	40,334
Europe	1,472	-	-	1,472
Other	190	38	-	228
Total revenue from external customers	<u>37,753</u>	<u>17,584</u>	-	<u>55,337</u>
Segment net earnings before interest expense and income taxes	4,227	2,934	(1,551)	5,610
Interest expense on long-term debt				817
Interest expense				336
Provision for income taxes				<u>1,344</u>
Net earnings for the period				<u>3,113</u>
Amortization of property, plant and equipment	<u>640</u>	<u>815</u>	<u>16</u>	<u>1,471</u>
Amortization of intangible assets	<u>899</u>	<u>36</u>	-	<u>935</u>
Expenditures on property, plant and equipment	<u>539</u>	<u>1,112</u>	<u>24</u>	<u>1,675</u>

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

Opta Minerals Inc.

Notes to Consolidated Financial Statements

(Unaudited)

September 30, 2007 and December 31, 2006

(expressed in thousands of U.S. dollars)

	Three-month period ended September 30, 2006			
	Mill and foundry products & services \$	Abrasive products manufacturing and distribution operations \$	Unallocated \$	Total \$
External revenue by market				
Canada	2,805	1,994	-	4,799
U.S.	7,623	4,122	-	11,745
Europe	150	-	-	150
Other	35	14	-	49
Total revenue from external customers	10,613	6,130	-	16,743
Segment net earnings before interest expense and income taxes	1,296	1,388	(685)	1,999
Interest expense on long-term debt				288
Interest expense				113
Provision for income taxes				567
Net earnings for the period				1,031
Total assets as at December 31, 2006	40,521	32,421	1,051	73,993
Amortization of property, plant and equipment	180	305	2	487
Amortization of intangible assets	247	12	-	259
Goodwill and intangible assets as at December 31, 2006	23,768	6,921	-	30,689
Expenditures on property, plant and equipment	176	80	41	297

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

Opta Minerals Inc.

Notes to Consolidated Financial Statements

(Unaudited)

September 30, 2007 and December 31, 2006

(expressed in thousands of U.S. dollars)

	Nine-month period ended September 30, 2006			
	Mill and Foundry products & services	Abrasive products manufacturing and distribution operations	Unallocated	Total
	\$	\$	\$	\$
External revenue by market				
Canada	8,390	6,862	-	15,252
U.S.	19,567	12,666	-	32,233
Europe	618	-	-	618
Other	109	29	-	138
Total revenue from external customers	<u>28,684</u>	<u>19,557</u>	-	<u>48,241</u>
Segment net earnings before interest expense and income taxes	3,594	3,318	(1,389)	5,523
Interest expense on long-term debt				775
Interest expense				321
Provision for income taxes				<u>1,550</u>
Net earnings for the period				<u>2,877</u>
Amortization of property, plant and equipment	<u>356</u>	<u>896</u>	<u>2</u>	<u>1,254</u>
Amortization of intangible assets	<u>579</u>	<u>43</u>	-	<u>622</u>
Expenditures on property, plant and equipment	<u>510</u>	<u>455</u>	<u>58</u>	<u>1,023</u>

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

Opta Minerals Inc.

Notes to Consolidated Financial Statements

(Unaudited)

September 30, 2007 and December 31, 2006

(expressed in thousands of U.S. dollars)

Geographic segments

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

	September 30, 2007			
	Canada	U.S.	Europe	Total
	\$	\$	\$	\$
Property, plant and equipment	8,988	10,111	841	19,940
Goodwill and intangible assets	2,837	26,462	14,217	43,516
Total assets	30,004	51,851	17,991	99,846
	December 31, 2006			
	Canada	U.S.	Europe	Total
	\$	\$	\$	\$
Property, plant and equipment	7,085	10,530	-	17,615
Goodwill and intangible assets	2,438	28,251	-	30,689
Total assets	27,400	46,593	-	73,993

9 Comparative amounts

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