

**MBAC OPPORTUNITIES AND FINANCING INC.
AMENDED UNAUDITED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS FOR THE THREE MONTHS ENDED OCTOBER 31, 2009**

The unaudited interim consolidated financial statements of MBAC Opportunities and Financing Inc. (the "Company") for the three months ended October 31, 2009 (the "Q1 Financial Statements"), which were filed on January 4, 2010, contained an overstatement of the stock-based compensation expense by \$2.7 million primarily due to an error in the calculation of the expense recognized using the straight-line method when the graded vesting method should have been applied in accordance with accounting recommendations in Section 3870 of the CICA Handbook. The Company is filing these amended unaudited interim consolidated financial statements for the three months ended October 31, 2009 (the "Amended Financial Statements"), which supersede the Q1 Financial Statements. The Amended Financial Statements correct the overstatement of the non-cash expense related to stock-based compensation and reflect the adoption of proper accounting policies to account for options on a graded vesting basis. No other substantive amendments have been made. See Note 1 to the Amended Financial Statements for further information.



MBAC OPPORTUNITIES AND FINANCING INC.

**Unaudited Interim Consolidated Financial Statements
Three months ended
October 31, 2009
(Amended)**

**THESE FINANCIAL STATEMENTS HAVE NOT BEEN
REVIEWED BY AN AUDITOR.**

MBAC OPPORTUNITIES AND FINANCING INC.

Consolidated Balance Sheet

October 31, 2009 (with comparative figures for July 31, 2009)

(Unaudited)

	October 31, 2009 Restated (Note 1)	July 31, 2009
<i>(In thousands of Canadian dollars)</i>		
Assets		
Current		
Cash	\$ 36,349	\$ 40,703
Accounts receivable	869	72
Inventories (Note 2)	1,212	1,372
Other current assets	258	202
	38,688	42,349
Pyrite asset	11,910	11,910
Investments (Note 3)	704	284
Property, plant and equipment (Note 4)	56,838	51,016
	\$ 108,140	\$ 105,559
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 1,600	\$ 1,499
Deferred revenue	213	433
Current portion of finance lease obligations (Note 4)	36	47
	1,849	1,979
Long-term finance lease obligation (Note 4)	9	13
Future income taxes (Note 5)	17,047	15,983
Asset retirement obligation	54	50
	18,959	18,025
Shareholders' Equity		
Share capital (Note 6(a))	86,487	86,226
Contributed surplus (Note 6(b))	7,781	1,979
Accumulated other comprehensive income	3,482	1,268
Deficit	(8,569)	(1,939)
	89,181	87,534
	\$ 108,140	\$ 105,559

Commitments and subsequent events (Notes 8 and 11)

ON BEHALF OF THE BOARD:

"Peter Marrone"
Peter Marrone
 Chairman

"Antenor Silva"
Antenor Silva
 President

The accompanying notes are an integral part of these consolidated financial statements. The three months ended October 31, 2009 interim consolidated financial statements have not been reviewed by an auditor.

MBAC OPPORTUNITIES AND FINANCING INC.

Consolidated Statement of Operations and Deficit

For the three-month period ended October 31, 2009

(with comparative figures for the year ended July 31, 2009)

(Unaudited)

	3 months ended October 31, 2009 Restated (Note 1)	12 months ended July 31, 2009
<i>(In thousands of Canadian dollars except for shares and per share amounts)</i>		
Sales	\$ 967	\$ 867
Cost of sales		
Cost of goods sold, excluding depreciation	646	777
Depreciation	35	39
	681	816
Gross profit	286	51
Operating expenses		
Depreciation	37	79
Selling, general and administrative expenses	1,609	2,480
Stock-based compensation (Note 7)	5,802	-
	7,448	2,559
Operating loss	(7,162)	(2,508)
Foreign exchange gain	498	51
Interest income	31	641
Gain (loss) on disposal of property, plant and equipment	21	(84)
Loss for the period before provision for income taxes	(6,612)	(1,900)
Provision for income taxes - current (Note 5)	42	79
- future (Note 5)	(24)	(40)
	18	39
Net loss for the period	(6,630)	(1,939)
Deficit, beginning of period	(1,939)	-
Deficit, end of period	\$ (8,569)	\$ (1,939)
Basic and diluted loss per share (Note 6(d))	\$ (0.88)	\$ (0.30)

The accompanying notes are an integral part of these consolidated financial statements. The three months ended October 31, 2009 interim consolidated financial statements have not been reviewed by an auditor.

MBAC OPPORTUNITIES AND FINANCING INC.

Consolidated Statement of Cash Flows

For the three-month period ended October 31, 2009

(with comparative figures for the year ended July 31, 2009)

(Unaudited)

	3 months ended October 31, 2009 Restated (Note 1)	12 months ended July 31, 2009
<i>(In thousands of Canadian dollars)</i>		
Cash provided by (used in):		
Operating activities		
Net loss for the period	\$ (6,630)	\$ (1,939)
Add (deduct) items not affecting cash:		
Depreciation	72	118
Shares issued as compensation, including stock options	6,063	20
Future income tax recovery	(24)	(40)
(Gain) loss on disposal of property, plant and equipment	(21)	84
Foreign exchange gain	(498)	(51)
	(1,038)	(1,808)
Net change in non-cash working capital (Note 9(a))	(739)	1,423
	(1,777)	(385)
Investing activities		
Acquisition of subsidiary, including transaction costs of \$1,676 and net of cash acquired of \$35	-	(5,636)
Purchase of pyrite asset	-	(11,910)
Acquisition of property, plant and equipment	(995)	(1,825)
Exploration and evaluation expenditures	(1,434)	(2,470)
Proceeds on disposition of property, plant and equipment	62	229
Investments (Note 3)	(277)	(284)
	(2,644)	(21,896)
Financing activities		
Issuance of common shares	-	65,458
Shares purchased for cancellation	-	(2,449)
Shareholder loan for acquisition of subsidiary	-	3,995
Repayment of shareholder loan for acquisition of subsidiary	-	(3,995)
Repayment of finance lease obligation	(15)	(50)
	(15)	62,959
Foreign currency effect on cash	82	25
Increase (decrease) in cash	(4,354)	40,703
Cash, beginning of period	40,703	-
Cash, end of period	\$ 36,349	\$ 40,703

Supplementary cash flow information (Note 9)

The accompanying notes are an integral part of these consolidated financial statements. The three months ended October 31, 2009 interim consolidated financial statements have not been reviewed by an auditor.

MBAC OPPORTUNITIES AND FINANCING INC.

Consolidated Statement of Comprehensive Loss

For the three-month period ended October 31, 2009

(with comparative figures for the year ended July 31, 2009)

(Unaudited)

	3 months ended October 31, 2009 Restated (Note 1)	12 months ended July 31, 2009
<i>(In thousands of Canadian dollars)</i>		
Net loss for the period	\$ (6,630)	\$ (1,939)
Other comprehensive income		
Unrealized gain on available-for-sale investment (Note 3)	149	-
Unrealized gain on translation of self-sustaining foreign operations	2,065	1,268
Comprehensive loss for the period	\$ (4,416)	\$ (671)

The accompanying notes are an integral part of these consolidated financial statements. The three months ended October 31, 2009 interim consolidated financial statements have not been reviewed by an auditor.

MBAC OPPORTUNITIES AND FINANCING INC.

Notes to the Consolidated Financial Statements

For the three-month period ended October 31, 2009

(with comparative figures for the year ended July 31, 2009)

(Unaudited)

(In thousands of Canadian Dollars unless otherwise noted)

1. Basis of presentation

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and include the assets, liabilities and operations of MBAC Opportunities and Financing Inc. ("MBAC" or the "Company") and its wholly-owned subsidiaries. These unaudited interim consolidated financial statements do not contain all the information required by generally accepted accounting principles for annual financial statements and therefore should be read in conjunction with the audited annual financial statements of the Company for the period ended July 31, 2009. These interim consolidated financial statements follow the same accounting policies and methods of their application as the most recent annual financial statements.

References herein to US\$ are to United States dollars and R\$ are to the Brazilian Real.

Restatement and significant accounting changes

Stock based compensation

On October 1, 2009, the Company granted stock options to various officers and directors of the Company and in connection therewith elected to recognize the stock-based compensation expense of \$8,474 using the straight-line method. The Company identified an overstatement of \$2,672 of stock-based compensation expense recognized on Q1 2010 resulting from an error in the recognition of the expense and from the use of the straight-line method when the graded vesting method should have been applied in accordance with Section 3870 of the CICA Handbook. The Company does not expect this restatement to have an impact on cash flows as stock-based compensation expense is a non-cash item.

In addition, the Company is restating the previously adopted accounting policy to reflect the appropriate choice of accounting policy for the recognition of stock based compensation expense under the graded vesting method. The adjustments associated with this error are summarized below.

	Previously reported	Adjustment	Restated
Contributed surplus	\$ 10,453	\$ (2,672)	\$ 7,781
Net loss	\$ (9,302)	\$ 2,672	\$ (6,630)
Net loss per share – basic and diluted	\$ (1.23)	\$ 0.13	\$ (0.88)

No other substantive amendments have been made and there is no adjustment to the financial results of the audited consolidated financial statements for the period ended July 31, 2009.

Significant new accounting policy

Stock-based compensation

The Company accounts for stock-based compensation that settle through the issuance of equity using the fair value based method, whereby the fair value of the stock-based award is determined at the date of grant using a market-based option valuation model. The fair value of the award is recorded as compensation expense and is accrued on a graded vesting basis with a corresponding increase to contributed surplus. No adjustment for subsequent changes in the price of the Company's shares will be recorded. On exercise of the award, the proceeds together with amount recorded in contributed surplus are recorded as share capital.

MBAC OPPORTUNITIES AND FINANCING INC.

Notes to the Consolidated Financial Statements

For the three-month period ended October 31, 2009

(with comparative figures for the year ended July 31, 2009)

(Unaudited)

(In thousands of Canadian Dollars unless otherwise noted)

2. Inventories	October 31, 2009	July 31, 2009
Phosphate held in finished goods stockpiles	\$ 1,162	\$ 908
Raw materials	50	464
	\$ 1,212	\$ 1,372

3. Investments				October 31, 2009				July 31, 2009
Available-for-sale investments	% of ownership	Cost	Fair value	Cumulative amount in other comprehensive income	Fair value			Cumulative amount in other comprehensive income
Redstone								
Common shares	2.5%	\$ 144	\$ 273	\$ 129	\$ 144	\$	-	-
Warrants	0.0%	14	34	20	14	-	-	-
		\$ 158	\$ 307	\$ 149	\$ 158	\$	-	-

Available for sale securities are reviewed periodically for possible other-than-temporary impairment and more frequently when economic or market concerns warrant such evaluation.

During the period the Company exercised the option to acquire a 35% interest in two (2) of the Redstone exploration projects for total consideration of \$277 (US\$250).

4. Property, plant and equipment				October 31, 2009				July 31, 2009	
	Cost	Accumulated Amortization	Net book value	Cost	Accumulated Amortization	Net book value			
Mineral properties and exploration rights	\$ 47,898	-	\$ 47,898	\$ 44,843	-	\$ 44,843			
Exploration and evaluation assets	4,073	-	4,073	2,470	-	2,470			
Property, plant and equipment	3,595	(216)	3,379	2,971	(123)	2,848			
Cost of non-depreciable items:									
Land	331	-	331	331	-	331			
Assets under construction	1,157	-	1,157	524	-	524			
	\$ 57,054	(216)	\$ 56,838	\$ 51,139	(123)	\$ 51,016			

Finance lease obligation consists of \$40 (July 31, 2009 - \$60) debt related to finance leased vehicles. The debt is secured by the underlying vehicles with monthly payments until July 2011 and bearing interest at rates ranging from 16% to 20% per annum.

MBAC OPPORTUNITIES AND FINANCING INC.

Notes to the Consolidated Financial Statements

For the three-month period ended October 31, 2009

(with comparative figures for the year ended July 31, 2009)

(Unaudited)

(In thousands of Canadian Dollars unless otherwise noted)

5. Income taxes

The following table reconciles the statutory rate with the effective income tax rate in these financial statements:

	3 months ended October 31, 2009 Restated (Note 1)	12 months ended July 31, 2009
Combined Canadian federal and provincial statutory tax rate	33.0%	33.0%
Changes in future tax rates	(0.3)	(0.2)
Difference in foreign tax rates	-	0.9
Permanent differences	(30.7)	(31.3)
Change in valuation allowance	(2.3)	(4.5)
Effective tax rate	(0.3)%	(2.1)%
Income tax expense is represented by		
Current income tax expense	\$ 42	\$ 79
Future income tax recovery	(24)	(40)
Net income tax expense	\$ 18	\$ 39

6. Share capital

(a) Common shares

MBAC is authorized to issue an unlimited number of common shares without par value. The Company's issued and outstanding common shares consist of the following:

	Number of common shares	Amount
Balance as at July 31, 2009	11,856,256	\$ 86,226
Shares issued as compensation	65,000	261
Balance as at October 31, 2009	11,921,256	\$ 86,487

	3 months ended October 31, 2009 Restated (Note 1)	12 months ended July 31, 2009
(b) Contributed surplus		
Balance, beginning of period	\$ 1,979	\$ -
Purchase of shares for cancellation	-	1,979
Stock-based compensation (Note 7)	5,802	-
Balance, end of period	\$ 7,781	\$ 1,979

MBAC OPPORTUNITIES AND FINANCING INC.

Notes to the Consolidated Financial Statements

For the three-month period ended October 31, 2009

(with comparative figures for the year ended July 31, 2009)

(Unaudited)

(In thousands of Canadian Dollars unless otherwise noted)

(c) **Founders' units**

At October 31, 2009, 51,375 special warrants remain unexercised pending completion of a going-public transaction including financing. Each special warrant, if and when it is converted, will be converted into four (4) or nine (9) common shares, depending on the date of conversion.

(d) Weighted average number of common shares and dilutive common share equivalents	3 months ended October 31, 2009	12 months ended July 31, 2009
Weighted average number of common shares	7,546,978	6,518,749
Diluted weighted average number of common shares	7,546,978	6,518,749

The dilutive effect of 462,375 common shares related to the founders' units special warrants and stock options of 217,952 have not been included in the calculation of the weighted average number of common shares as their impact would be anti-dilutive.

7. Stock-based compensation (Restated – Note 1)

The Company issued options to acquire 1,089,761 common shares at a weighted average exercise price of \$10.00. The Company has recognized \$5,802 (July 31, 2009 - \$NIL) in compensation expense during the period in connection with these options and a corresponding increase in contributed surplus.

MBAC accounts for stock-based payments to employees and non-employees using the fair value based method of accounting which is estimated at the time of grant using the Black-Scholes option pricing model with the following assumptions for the options issued during the quarter ended October 31, 2009: (i) dividend yield of 0%, (ii) expected volatility of 90%, (iii) risk free interest rate of 2.512% and (iv) expected life of 4.92 years. The Company has assumed no forfeiture rate as adjustments for actual forfeitures are made in the year they occur.

Subsequent to October 31, 2009, the Company issued to management additional options to acquire 619,892 common shares.

8. Commitments

At October 31, 2009, the Company has future minimum annual operating lease commitments in connection with its leased office spaces, certain office equipment and drilling services, as follows:

2010	\$	1,244
2011		367
2012		56
2013		55
2014 and thereafter		55
	\$	<u>1,777</u>

MBAC OPPORTUNITIES AND FINANCING INC.

Notes to the Consolidated Financial Statements

For the three-month period ended October 31, 2009

(with comparative figures for the year ended July 31, 2009)

(Unaudited)

(In thousands of Canadian Dollars unless otherwise noted)

9. Supplementary cash flow information

	3 months ended October 31, 2009	12 months ended July 31, 2009
(a) Net change in non-cash working capital items		
Accounts receivable	\$ (762)	\$ 407
Inventories	252	249
Other current assets	(29)	(121)
Accounts payable and accrued liabilities	38	876
Deferred revenue	(238)	12
	\$ (739)	\$ 1,423
(b) Interest and income taxes paid in the period		
Interest paid during the period	\$ 7	\$ 45
Income taxes paid during the period	\$ 54	\$ 210

10. Reverse-Take-Over

On October 1, 2009 MBAC and Sandwell Mining Ltd. executed a Letter of Intent ("LOI") whereby through amalgamation Sandwell will acquire all of the issued and outstanding shares of MBAC by issuing 62.5 Sandwell shares in exchange for every MBAC common share held (the "Transaction"). Upon completion of the Transaction, MBAC will be a wholly-owned subsidiary of Sandwell. The Transaction is subject to completion of satisfactory technical and legal due diligence, receipt of all requisite regulatory and shareholder approvals, and execution of final documentation.

Upon completion of the Transaction, Sandwell intends to (i) change its name to MBAC Fertilizer Corp., (ii) consolidate its issued and outstanding shares on the basis of one (1) post-consolidation share for every 15 pre-consolidation shares held and (iii) continue out of British Columbia under the *Canada Business Corporation Act*. MBAC will be a wholly-owned subsidiary of Sandwell, although for accounting purposes, this transaction will be accounted for as a reverse take-over.

11. Subsequent events

Subsequent to the period end, the Company concluded a private placement of 4,538,500 subscription receipts at a price of \$12.50 each for gross proceeds of \$56,731. Each subscription receipt will be exchangeable for no additional consideration into one (1) MBAC common share in connection with the Transaction.