

Interim consolidated financial statements

Opsens Inc.

Three-month periods ended November 30, 2010 and 2009

Notice

These interim consolidated financial statements have not been reviewed by the Company's external auditors.

Opsens Inc.

November 30, 2010 and 2009

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Opsens Inc.

Consolidated statements of loss and comprehensive loss

Three-month periods ended November 30, 2010 and 2009

(unaudited)

	Three-month period ended November 30, 2010	Three-month period ended November 30, 2009
	\$	\$
Revenues		
Sales	1,147,323	1,070,353
Cost of sales	854,055	621,356
Gross margin	293,268	448,997
Expenses (revenues)		
Administrative	450,213	401,112
Marketing	122,666	204,764
Research and development	350,179	211,834
Stock option-based compensation (Note 5b)	38,008	55,657
Amortization of property, plant and equipment	45,751	42,382
Amortization of intangible assets	6,850	4,744
Financial charges (income) (Note 3)	(13,260)	24,847
	1,000,407	945,340
Net loss and comprehensive loss	(707,139)	(496,343)
Net loss per share (Note 6)		
Basic	(0.01)	(0.01)
Diluted	(0.01)	(0.01)

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

Opsens Inc.

Consolidated statements of shareholders' equity

Period ended November 30, 2010

(unaudited)

	Common shares	Warrants	Stock options	Total	Common shares	Warrants	Stock options	Contributed surplus	Deficit	Total
	(number)	(number)	(number)	(number)	\$	\$	\$	\$	\$	\$
Balance as at August 31, 2010	47,865,983	2,647,216	4,140,500	54,653,699	15,201,618	861,782	1,065,677	1,328,600	(8,597,742)	9,859,935
Options cancelled	-	-	(220,000)	(220,000)	-	-	(135,786)	135,786	-	-
Stock-based compensation	-	-	-	-	-	-	38,008	-	-	38,008
Net loss	-	-	-	-	-	-	-	-	(707,139)	(707,139)
Balance as at November 30, 2010	47,865,983	2,647,216	3,920,500	54,433,699	15,201,618	861,782	967,899	1,464,386	(9,304,881)	9,190,804

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

Opsens Inc.

Consolidated statements of shareholders' equity

Period ended November 30, 2009

(unaudited)

	Common shares	Warrants	Stock options	Total	Common shares	Warrants	Stock options	Contributed surplus	Deficit	Total
	(number)	(number)	(number)	(number)	\$	\$	\$	\$	\$	\$
Balance as at August 31, 2009	43,398,344	2,889,509	2,788,000	49,075,853	12,035,259	856,077	783,936	595,047	(8,728,706)	5,541,613
Share issuance – Warrants exercised	178,889	(178,889)	-	-	206,580	(63,469)	-	-	-	143,111
Share issuance – Stock options exercised	1,250	-	(1,250)	-	1,404	-	(316)	-	-	1,088
Options granted	-	-	40,000	40,000	-	-	-	-	-	-
Options cancelled	-	-	(6,000)	(6,000)	-	-	-	-	-	-
Stock-based compensation	-	-	-	-	-	-	55,657	-	-	55,657
Net loss	-	-	-	-	-	-	-	-	(496,343)	(496,343)
Balance as at November 30, 2009	43,578,483	2,710,620	2,820,750	49,109,853	12,243,243	792,608	839,277	595,047	(9,225,049)	5,245,126

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

Opsens Inc.

Consolidated balance sheets

	November 30, 2010 (unaudited)	August 31, 2010 (audited)
	\$	\$
Assets		
Current		
Cash and cash equivalents (Note 7)	5,323,223	5,347,801
Accounts receivable	1,042,302	2,055,923
Income tax credits receivable	197,789	152,080
Work in progress	51,503	40,000
Inventories	1,499,083	1,428,439
Prepaid expenses	112,590	144,338
Balance of purchase price to be received – short term	458,658	428,024
	8,685,148	9,596,605
Balance of purchase price to be received – long term	391,536	398,013
Property, plant and equipment	698,010	670,059
Intangible assets	197,789	175,176
Goodwill	676,574	676,574
	10,649,057	11,516,427
Liabilities		
Current		
Accounts payable and accrued liabilities	1,089,367	1,402,249
Deferred revenues	135,566	-
Current portion of long-term debt	134,812	125,001
	1,359,745	1,527,250
Long-term debt	98,508	129,242
	1,458,253	1,656,492
Shareholders' equity		
Share capital (Note 5a)	15,201,618	15,201,618
Stock-options (Note 5b)	861,782	1,065,677
Warrants (Note 5c)	967,899	861,782
Contributed surplus	1,464,386	1,328,600
Deficit	(9,304,881)	(8,597,742)
	9,190,804	9,859,935
	10,649,057	11,516,427

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

Approved by the board

Signed [Gordon Zive] director

Signed [Pierre Carrier] director

Opsens Inc.

Consolidated statements of cash flows

Three-month periods ended November 30, 2010 and 2009

(unaudited)

	Three-month period ended November 30, 2010	Three-month period ended November 30, 2009
	\$	\$
Operating activities		
Net loss	(707,139)	(496,343)
Adjustments for:		
Amortization of property, plant and equipment	45,751	42,382
Amortization of intangible assets	6,850	4,744
Stock option-based compensation	38,008	55,657
Implicit interest on balance of purchase price to be received	(24,157)	-
Changes in non-cash operating working capital items (Note 7)	740,197	(472,482)
	99,510	(866,042)
Investing activities		
Acquisition of property, plant and equipment	(73,702)	(17,310)
Acquisition of intangible assets	(29,463)	(9,866)
	(103,165)	(27,176)
Financing activities		
Increase in long-term debt	4,156	5,586
Reimbursement of long-term debt	(25,079)	(23,457)
Issuance of equity component	-	144,199
	(20,923)	126,328
Decrease in cash and cash equivalents	(24,578)	(766,890)
Cash and cash equivalents at beginning	5,347,801	2,887,085
Cash and cash equivalents at end	5,323,223	2,120,195

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

Additional information is presented in Note 7.

Opsens Inc.

Notes to the consolidated financial statements

November 30, 2010 and 2009

(unaudited)

1. Changes in accounting policies

Changes applied for the exercise ended August 31, 2010

On September 1, 2009, the Company adopted the new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA"):

Section 3064, "Goodwill and intangible assets," replacing Section 3062, "Goodwill and other intangible assets" and Section 3450, "Research and development costs." The new section will be applicable to financial statements relating to fiscal years beginning on or after October 1, 2008. Accordingly, the Company adopted the new standards for its fiscal year beginning September 1, 2009. It establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The Company adoption of this new Section did not have a material impact on its consolidated financial statements.

Future accounting policies

In January 2009, the CICA issued Handbook Section 1582, "Business Combinations," replacing Section 1581, "Business Combinations." The Section establishes standards for the accounting for a business combination. It provides the Canadian equivalent to the IFRS standard, IFRS 3 (Revised), "Business Combinations." The Section applies prospectively to business combinations for which the acquisition date is on or after January 1, 2011. Earlier application is permitted. As this section is consistent with IFRS, it will be applied in accordance with our IFRS conversion framework.

In January 2009, the CICA issued Section 1601, "Consolidated Financial Statements," and Section 1602, "Non-Controlling Interests," which together replace Section 1600, "Consolidated Financial Statements." Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS standard, IAS 27 (Revised), "Consolidated and Separate Financial Statements." The Sections apply to interim and annual consolidated financial statements relating to fiscal years beginning on January 1, 2011. Earlier adoption is permitted as of the beginning of a fiscal year. As these sections are consistent with IFRS, they will be applied in accordance with our IFRS conversion framework.

International Financial Reporting Standards

The Accounting Standards Board of Canada ("AcSB") has announced that accounting standards in Canada, as used by public companies, will converge to International Financial Reporting Standards ("IFRS") over a transition period that is expected to be completed by January 1, 2011. On February 13, 2008, the AcSB confirmed 2011 as the official changeover date from current Canadian GAAP to IFRS. The changeover date applies to the annual and interim financial statements beginning on or after January 1, 2011. The Company will convert to these new standards according to the timetable set with these new rules.

The Company is currently assessing the future impact of these new standards on its commercial activities, financial information systems and its consolidated financial statements.

Opsens Inc.

Notes to the consolidated financial statements

November 30, 2010 and 2009

(unaudited)

2. Accounting policies

The significant accounting policies used to prepare these financial statements are summarized below.

Principles of consolidation

The interim consolidated financial statements include the accounts of the Company and those of its wholly-owned subsidiary Opsens Solutions Inc. from the acquisition date.

Unaudited interim financial statements

The accompanying unaudited interim financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP") for interim financial statements, and they are consistent with the accounting policies and methods used in the preparation of the Company's most recent annual financial statements. However, they do not include all information required for annual consolidated financial statements. These consolidated interim financial statements should be read in conjunction with the most recent Company's annual audited financial statements.

The consolidated financial statements as at November 30, 2010 and for the three-month periods ended November 30, 2010 and 2009 are unaudited. However, in the opinion of management, all adjustments, consisting solely of normal recurring adjustments, considered necessary for a fair presentation of the consolidated results of operations for the period presented, have been included. Consolidated results for the interim periods presented are not necessarily indicative of the results that may be expected for the year.

All amounts are disclosed in Canadian dollars.

Use of estimates

The presentation of financial statements in accordance with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The main accounting estimates relate to the income tax credit receivable, the provision for warranty and the assumptions used in the determination of the fair value of the stock options and warrants. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments redeemable anytime or with a maturity of three months or less beginning on the acquisition date.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined using the moving average method.

Goodwill

Goodwill representing the excess of purchase price over fair value of the net identifiable assets of acquired businesses is tested for impairment annually or more frequently when an event or circumstance occurs that indicates that goodwill might be impaired. When the carrying amount exceeds the fair value, an impairment loss is recognized in the statement of earnings in an amount equal to the excess.

Opsens Inc.

Notes to the consolidated financial statements

November 30, 2010 and 2009

(unaudited)

2. Accounting policies (continued)

Revenue recognition

Opsens Inc. reportable segment revenues related to the sale of products are recognized when persuasive evidence of an arrangement exists, delivery has occurred, the price to the buyer is fixed or determinable and collection is reasonably assured.

Opsens Solutions Inc. reportable segment revenues related to the sale of products and sensor installation services are recognized when persuasive evidence of an arrangement exists, on site installation has occurred, the price to the buyer is fixed or determinable and collection is reasonably assured. For contract revenues earned over a long period, revenues are recorded using the percentage of completion method. Therefore, these revenues are recognized proportionately with the degree of completion of the work. The Company uses the efforts expended method to calculate the degree of completion of work based on the number of hours incurred as at the balance sheet date compared to the estimated total number of hours. Work in progress is valued by taking into consideration the number of hours worked but not yet invoiced and the payments received. Losses are recorded as soon as they become apparent.

Loss per share

Loss per share is determined using the weighted average number of outstanding shares during the period. The Company uses the treasury stock method to calculate the diluting effect of share purchase options and warrants. Reconciliations of the numerators and the denominators used in the calculation of the basic and diluted loss are disclosed in accordance with the GAAP.

Stock-based compensation and other stock-based payments

The Company uses the fair value method to assess the fair value of stock options or warrants as at their date of allocation. The fair value is determined using the Black-Scholes option pricing model and is amortized to earnings over the vesting period with an offset to corresponding shareholders' equity account. When stock options or warrants are exercised, the corresponding contributed surplus and the proceeds received by the Company are credited to share capital.

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and reflect the following significant accounting policies:

Financial instruments

Cash and cash equivalents are classified as financial instruments "held for trading." As such, these financial instruments are recorded at their fair values. Changes in the fair value of held for trading instruments are recorded as investment income and disclosed as financial expenses in the income statement.

Accounts receivable, income tax credits receivable and balance of purchase price to be received are classified as loans and receivables. They are recorded at cost, which at initial recognition corresponds to fair value. Subsequent revaluations of accounts receivable are recorded at amortized cost, which generally corresponds to the initially recognized amount less any allowance for doubtful accounts.

The Company has chosen to classify its financial liabilities (accounts payable, accrued liabilities, and long-term debt) as other liabilities. Financial liabilities are initially measured at cost, and subsequent revaluations are recorded at amortized cost using the effective interest rate method.

Transaction fees related to "other liabilities" are capitalized and presented against long-term debt. They are amortized using the effective interest rate and are recorded in the income statement.

Opsens Inc.

Notes to the consolidated financial statements

November 30, 2010 and 2009

(unaudited)

3. Financial instruments

Cash equivalents and temporary investments

The Company is exposed to various types of risks in the management of its cash and cash equivalents, including those related to the use of financial instruments. To manage these risks, controls were put in place, particularly those related to investment policy. The investment policy is approved by the board of directors. The Company's investment policy aims primarily to protect capital, while considering return on investment and income taxes.

Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in the parameters underlying their measurement, particularly interest rates and market prices.

Interest rate risk

Interest rate risk exists when interest rate fluctuations modify the cash flows of the Company's investments. The Company owns investments with fixed interest rates. As of November 30, 2010, the Company was holding more than 85% of its cash equivalents in all time redeemable term-deposit.

Financial charges (income)

	2010	2009
	\$	\$
Interest and bank charges	2,790	3,988
Interest on long-term debt	5,628	7,416
Loss on foreign currency translation	39,934	26,899
Interest income	(61,612)	(13,456)
	(13,260)	24,847

Credit risk

The use of financial instruments can create a credit risk that is the risk of financial loss resulting from a counterparty's inability or refusal to fully discharge its contractual obligations. The Company's credit risk management policies include the authorization to carry out investment transactions with recognized financial institutions, with credit ratings of at least A and higher, in either bonds, money market funds or guaranteed investment certificates. Consequently, the Company manages credit risk by complying with established investment policies.

Concentration risk

Concentration risk exists when investments are made with multiple entities that share similar characteristics or when a large investment is made with a single entity. As of November 30, 2010, the Company was holding more than 85% of its cash equivalents portfolio in all time redeemable term-deposit.

Opsens Inc.

Notes to the consolidated financial statements

November 30, 2010 and 2009

(unaudited)

3. Financial instruments (continued)

Operational credit risk

The Company provides credit for a conventional period of 30 days to its customers in the normal course of business. Credit evaluations are performed on an ongoing basis of all its accounts receivable and an allowance for doubtful accounts is recorded when those accounts are deemed uncollectible. Three major customers represent 81.35% of the Company's accounts receivable as at November 30, 2010.

As at November 30, 2010, 30.14% of the accounts receivable were of more than 90 days whereas 62.12% of those were with less than 30 days. The maximum exposure to the risk of credit for receivable corresponded to their book value. On November 30, 2010, the bad debt provision was established at \$4,081 (\$6,110 on August 31, 2010).

Management considers that substantially all receivables are fully collectible as most of our customers are large corporations with good credit standing and no history or default.

Interest rate and cash flow risk

The Company is exposed to interest rate fluctuations on certain long-term debt that bears interest at variable rates. The Company does not actively manage this risk.

Assuming the cash equivalents and long-term debt as reported on November 30, 2010 and 2009 had been the same throughout the period, a hypothetical 1% interest rate increase would have had an unfavourable impact of \$201 and \$371 on the net loss for the three-month period ended November 30, 2010 and 2009. The net loss would have had an equal but opposite effect for a hypothetical 1% interest rate decrease.

Foreign exchange risk

The Company realizes certain sales and purchases certain supplies and professional services in US dollars. Therefore, it is exposed to foreign currency fluctuations. The Company does not actively manage this risk.

For the three-month ended November 30, 2010 and 2009, if the Canadian dollar had strengthened 10% against the US dollar with all other variables held constant, after-tax net income and other comprehensive income would have been respectively \$3,000 and \$47,000 lower. Conversely, if the Canadian dollar had weakened 10% against the US dollar with all other variables held constant, after-tax net income and other comprehensive income would have been \$3,000 and \$47,000 higher for the same periods.

As at November 30, 2010, the risk to which the Company was exposed is established as follows:

	As of November 30, 2010	As of August 31, 2010
	\$	\$
Cash (US\$256,046)	262,857	509,164
Accounts receivable (US\$215,676)	221,345	501,350
Balance of purchase price to be received (US\$828,165)	850,194	826,037
Accounts payable and accrued liabilities (US\$125,728)	(129,072)	(93,826)
Total	1,205,324	1,742,725

Opsens Inc.

Notes to the consolidated financial statements

November 30, 2010 and 2009

(unaudited)

3. Financial instruments (continued)

Fair value

The fair value of cash and cash equivalents, accounts receivable, income tax credits receivable, balance of purchase price to be received and accounts payable and accrued liabilities approximate their carrying value due to their short-term maturities.

The fair value of long-term debt is based on the discounted value of future cash flows under the current financial arrangements at the interest rate the Company expects to currently negotiate for loans with similar terms and conditions and maturity dates. The fair value of long-term debt approximates its carrying value due to the current market rates.

The Company defines the fair value hierarchy under which its financial instruments are valued as follows:

Cash and cash equivalents are classified under Level 1, that is the valuation based on active market price in determining fair value.

Liquidity risk

Liquidity risk represents the possibility of the Company not being able to raise the funds needed to meet financial commitments at the appropriate time and under reasonable conditions. The Company manages this risk by maintaining permanent and sufficient liquidity to meet current and future financial obligations, under both normal and exceptional circumstances. The funding strategies used to manage this risk include turning to capital markets to carry out issues of equity and debt securities.

The following are the contractual maturities of the financial liabilities (principal and interest, assuming current interest rates) as at November 30, 2010:

	Total	0 to 12 months	1 year to 2 years	2 years to 5 years	More than 5 years
	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	1,089,367	1,089,367	-	-	-
Long-term debt	230,355	143,870	70,223	16,262	-
Obligation under capital lease	47,271	18,442	14,590	14,239	-
Commitments	618,399	275,672	157,572	185,155	-
Total	1,985,392	1,527,351	242,385	215,656	-

Opsens Inc.

Notes to the consolidated financial statements

November 30, 2010 and 2009

(unaudited)

4. Capital management

The Company uses its capital to finance marketing expenses, research and development activities, administrative and working capital and capital assets. Historically, the Company has financed activities through rounds of public and private financing, debt financing as well as government grants.

The Company quarterly reviews net loss and earnings before interest, taxes, depreciation, amortization and stock option-based compensation "EBITDAO." The EBITDAO has no normalized sense prescribed by the GAAP. It is not very probable that this measure is comparable with measures of the same type presented by other issuers. The EBITDAO is defined by the Company as the cash flows from operating activities without taking in consideration changes in non-cash operating working capital items.

	Three-month period ended November 30, _____	
	2010	2009
	\$	\$
Net loss	(707,139)	(496,343)
Financial charges (income)	(13,260)	24,847
Amortization of property, plant and equipment	45,751	42,382
Amortization of intangible assets	6,850	4,744
Stock option-based compensation	38,008	55,657
EBITDAO	(629,790)	(368,713)

The Company targets to improve these figures which negatively vary for the three-month period ended November 30, 2010 compare to the same period in 2009. The Company believes that its current liquid assets are sufficient to finance its activities on the short-term.

The Company has an authorized line of credit for a maximum amount of \$200,000, \$50,000 of which is available at all times and which does not take into consideration the margining. When using the line of credit in an amount varying from \$50,000 and \$100,000, the available credit is limited to an amount that is equal to 75% of Canadian accounts receivable and 65% of foreign accounts receivable plus 50% of inventories of raw materials and finished goods. If the amount used exceeds \$100,000, the credit available is limited to an amount equal to 75% of Canadian accounts receivable and 90% of ensured foreign accounts receivable plus 50% of inventories of raw materials and finished goods. Under the terms and conditions of the credit agreement, the Company is subject to certain covenants with respect to maintaining minimum financial ratios related to the maintenance of a maximum ratio of 3 to 1 for total debt to equity, and a ratio of at least than 1.5 for debt to working capital, with a minimum working capital of \$200,000. These ratios apply to long-term debt valued at \$25,796 as of November 30, 2010. The covenants are met as of November 30, 2010.

Opsens Inc.

Notes to the consolidated financial statements

November 30, 2010 and 2009

(unaudited)

5. Share capital, stock-options and warrants

a) Share capital

Authorized, unlimited number

Common shares, voting and participating, without par value

Outstanding shares and the changes occurred during the year are as follows:

Issued and fully paid

	Number	Amount
		\$
Balance at beginning of year	47,865,983	15,201,618
Balance as at November 30, 2010	47,865,983	15,201,618

b) Stock options

The Company changed the stock option plan on January 20, 2009. The number of common shares reserved by the board of directors for options granted under the plan shall not exceed 10% of the issued and outstanding common shares of the Company. The plan is available to the Company's directors, consultants, officers and employees.

The stock option plan stipulates that the terms of the options and the option price shall be fixed by the directors subject to the price restrictions and other requirements imposed by TSX Venture Exchange. The exercise period cannot exceed five years, beginning on the grant date. These options generally vest over a four-year period, except for 1,000,000 outstanding options granted which are completely vested at grant.

The compensation expense in regards to the stock option plan for the period ended November 30, 2010 is \$38,008 (\$55,657 for the period ended November 30, 2009). The book value of the vested options cancelled during the period was transferred to contributed surplus for \$135,786.

Opsens Inc.

Notes to the consolidated financial statements

November 30, 2010 and 2009

(unaudited)

5. Share capital, stock-options and warrants (continued)

b) Stock options (continued)

The situation of the outstanding stock option plan and the changes that took place during the period ended November 30, 2010 are as follows:

	Number of options	Weighted average exercise price
		\$
Outstanding at beginning of year	4,140,500	0.54
Options cancelled	(220,000)	0.92
Outstanding at end of the period	3,920,500	0.52
Options exercisable at end of the period	2,177,063	0.48

The table below provides information on the outstanding stock options as at November 30, 2010:

Exercise price	Number of outstanding stock options	Number of exercisable stock options	Weighted average residual duration (years)
\$			
0.36	219,750	80,000	4.60
0.37	303,250	75,813	3.39
0.38	1,100,000	300,000	4.75
0.40	90,000	35,000	3.02
0.42	50,000	12,500	3.14
0.45	50,000	50,000	1.01
0.50	1,060,000	1,055,000	0.86
0.60	50,000	12,500	3.58
0.64	50,000	12,500	3.55
0.72	500,000	250,000	2.03
0.80	150,000	125,000	1.66
0.87	257,500	128,750	2.39
1.15	40,000	40,000	3.96
	3,920,500	2,177,063	2.52

Opsens Inc.

Notes to the consolidated financial statements

November 30, 2010 and 2009

(unaudited)

5. Share capital, stock-options and warrants (continued)

c) Warrants

The situation of the outstanding warrants and the changes that took place during the period ended November 30, 2010 are as follows:

	Number of warrants	Weighted average exercise price
		\$
Outstanding at beginning of year	2,647,216	1.07
Outstanding at end of period	2,647,216	1.07
Warrants exercisable at end of period	2,647,216	1.07

The table below provides information on the outstanding warrants as at November 30, 2010:

Exercise price	Number of outstanding warrants	Number of exercisable warrants	Weighted average residual duration (years)
\$			
0.60	204,167	204,167	0.57
0.85	299,299	299,299	1.20
1.15	2,143,750	2,143,750	1.20
	2,647,216	2,647,216	1.15

Opsens Inc.

Notes to the consolidated financial statements

November 30, 2010 and 2009

(unaudited)

6. Loss per share

The table below presents a reconciliation between the basic net loss and the diluted net loss per share:

	Three-month period ended November 30,	
	<u>2010</u>	<u>2009</u>
	\$	\$
Numerator		
Net loss	(707,139)	(496,343)
Amount available for calculating the loss per share	(707,139)	(496,343)
Denominator		
Weighted average number of shares outstanding	47,865,983	43,425,056
Weighted average number of shares outstanding on diluted basis	47,865,983	43,425,056
Amount per share		
Net loss per share		
Basic	(0.01)	(0.01)
Diluted	(0.01)	(0.01)

The calculation of dilution effects excludes options and warrants that have an anti-diluting effect.

However, should the Company's basic earnings per share have been positive, some options and warrants, at an exercise price of \$0.36 would have been dilutive and would have resulted in the addition of 6,214 shares to the weighted average number of shares outstanding used in the diluted earnings per share calculation for period ended November 30, 2010 (919,593 as at November 30, 2009).

Opsens Inc.

Notes to the consolidated financial statements

November 30, 2010 and 2009

(unaudited)

7. Additional information on the statements of cash flows

Three-month period
ended November 30,

	2010	2009
	\$	\$

Changes in non-cash operating working capital items

Accounts receivable	1,013,621	(353,922)
Income tax credits receivable	(45,709)	(41,040)
Work in progress	(11,503)	-
Inventories	(70,644)	(180,004)
Prepaid expenses	31,748	5,747
Accounts payable and accrued liabilities	(312,882)	96,737
Deferred revenues	135,566	-
	740,197	(472,482)

Other information

Interests paid	1,734	11,404
Cash	796,976	241,830
Short-term investments	4,526,247	1,878,365
	5,323,223	2,120,195

Opsens Inc.

Notes to the consolidated financial statements

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(unaudited)

8. Commitments

Lease

The Company leases offices in Quebec City under an operating lease expiring on January 31, 2014. This agreement is renewable for an additional five-year period. Future rent, without considering the escalation clause, will amount to \$375,323.

Opsens Solutions Inc. rents four vehicles under operating lease expiring in September 2013, October 2013 and May 2014. Future rent payments will amount to \$111,976.

Future payments for the leases and other commitments, totalizing \$618,399, required in each of the next five years are as follows:

	\$
2011	275,672
2012	157,572
2013	155,088
2014	30,067
2015	-

Licence

Under an exclusive licence with a third party, the Company is committed to provide exclusive marketing of some of its products for a defined territory.

9. Contractual guarantees

During the normal course of business, the Company replaces defective parts under warranties offered at the sale of the products. The term of the warranties is 12 months. During the period ended November 30, 2010, the Company recognized an expense recovery for \$2,043, (expense of \$1,732 for the period ended November 30, 2009) for guarantees. A provision for \$29,817 (\$31,860 as at August 31, 2010) was recorded for guarantees. This provision estimate is based on past experience and is presented in liabilities under "Accounts payable and accrued liabilities." The actual costs that the Company may incur, as well as the moment when the parts should be replaced, can differ from the estimated amount.

10. Segmented information

Sector's information

The Company's reportable segments are strategic business units managed separately as one is focused on developing, producing, and supplying fiber optic sensors (Opsens Inc.) and the other (Opsens Solutions Inc.) is specialized in the commercialization and the installation of optical and conventional sensors for the oil and gas industry.

Opsens Inc.

Notes to the consolidated financial statements

November 30, 2010 and 2009

(unaudited)

10. Segmented information (continued)

Sector's information (continued)

Same accounting policies are used for both reportable segments. Operations are carried out in the normal course of operations and are measured at the exchange value.

	Period ended November 30, 2010			Period ended November 30, 2009		
	Opsens Inc. \$	Opsens Solutions Inc. \$	Total \$	Opsens Inc. \$	Opsens Solutions Inc. \$	Total \$
External sales	399,626	747,697	1,147,323	878,063	192,290	1,070,353
Internal sales	125,049	-	125,049	80,268	-	80,268
Amortization of property, plant and equipment	35,831	9,920	45,751	36,632	5,750	42,382
Amortization of intangible assets	6,367	483	6,850	4,357	387	4,744
Financial expenses (income)	(67,629)	54,369	(13,260)	(4,571)	29,418	24,847
Net loss	(562,503)	(144,636)	(707,139)	(281,646)	(214,697)	(496,343)
Acquisition of property, plant and equipment	19,742	53,960	73,702	14,592	2,718	17,310
Acquisition of intangible assets	29,463	-	29,463	4,694	5,172	9,866
Segment assets	8,100,631	2,548,426	10,649,057	4,832,914	1,399,739	6,232,653

Geographic sector's information

	Three-month period ended November 30,	
	2010 \$	2009 \$
Revenue per geographic sector		
Canada	767,340	215,901
United States	267,489	337,962
Japan	14,925	109,350
France	23,611	109,010
Other	73,958	298,130
	1,147,323	1,070,353

Revenues are attributed to the geographic sector based on the clients' location.

Opsens Inc.

Notes to the consolidated financial statements

November 30, 2010 and 2009

(unaudited)

10. Segmented information (continued)

Geographic sector's information (continued)

Capital assets, which include property, plant and equipment and intangible assets, are all located in Canada.

During the three-month period ended November 30, 2010, revenues from four clients represent individually more than 10% of the total revenues of the Company, i.e. approximately 30.82% (Opsens Solutions Inc.'s reportable segment), 22.98% (Opsens Solutions Inc.'s reportable segment), 15.42% (Opsens Inc.'s reportable segment) and 11.02% (Opsens Solutions Inc.'s reportable segment).

During the three-month period ended November 30, 2009, revenues from three clients represent individually more than 10% of the total revenues of the Company, i.e. approximately 17.57% (Opsens Inc.'s reportable segment), 13.96% (Opsens Inc.'s reportable segment) and 11.73% (Opsens Inc.'s reportable segment).

11. Related party transactions

In the normal course of its operations, the Company has entered into transactions with related parties. These transactions have been measured at the exchange amount.

	Three-month period ended November 30,	
	<u>2010</u>	<u>2009</u>
	\$	\$
Professional fees to a company controlled by a shareholder and director	<u>11,050</u>	-
	<u>11,050</u>	-