

## **Opta Minerals Inc. Reports First Quarter Record Results in 2008**

WATERDOWN, ONTARIO--(CCNMatthews – May 6, 2008) - Opta Minerals Inc. (TSX:OPM), a vertically integrated provider of custom process solutions and industrial mineral products for use primarily in the steel, foundry, loose abrasive cleaning, roof shingle granules and municipal water filtration industries, today announced results for the three months ended March 31, 2008. All figures are reported in U.S. dollars and in accordance with Canadian Generally Accepted Accounting Principles (GAAP), except where otherwise noted.

Opta Minerals reported record revenues and net earnings for a first quarter for the three months ended March 31, 2008. Revenues for the quarter increased 29.8% to \$21.4 million, from \$16.5 million in 2007. Gross profits increased by 36.7% to \$5.6 million or 26.0% of revenues versus \$4.1 million or 24.7% of revenues in 2007. EBITDA increased \$0.8 million or 35.5% from \$2.2 million in 2007 to \$3.0 million for the quarter ended March 31, 2008. Net earnings for the period increased 55.9% to \$1.1 million or \$0.06 per diluted common share from \$0.7 million or \$0.04 per diluted common share for the three months ended March 31, 2007.

Revenues for the three months ended March 31, 2008, excluding the 2007 acquisition of Newco and the abrasive facility in Laval Québec, were \$19.0 million, a \$2.5 million increase over the same period in 2007. Strong sales of abrasive products in the U.S. combined with sales of magnesium based desulfurization products contributed to this result which were partially offset by lower sales volumes into the Canadian abrasive and foundry industries and the higher Canadian dollar. Gross profits for the three months ended March 31, 2008 increased by \$1.5 million, or 36.7%. Approximately \$1.3 million of this increase is attributable to the acquisition of Newco. Gross profit from the Company's abrasive operations declined as Canadian results were impacted by the higher Canadian dollar. Gross profits within mill and foundry operations increased on the strength of the European operations acquired in the third quarter of 2007.

Earnings before income taxes and interest ("EBIT") for the three months ended March 31, 2008 were \$2.0 million, a 36.9% increase compared to \$1.5 million for the three months ended March 31, 2007. The increase is substantially attributed to the inclusion of Newco offset by an increase in selling, general and administrative costs relating to the higher Canadian dollar and impacted by approximately \$0.2 million foreign exchange losses realized upon the settlement of a Slovak Koruna promissory note.

Net earnings for the three months ended March 31, 2008 were \$1.1 million or \$0.06 per diluted common share, a 55.9% increase over the \$0.7 million or \$0.04 per diluted common share for the three months ended March 31, 2007.

The Company continues to maintain a strong balance sheet, with working capital of \$16.6 million and total assets of \$97.4 million. The debt to equity ratio as at March 31, 2008 was 0.74 to 1.00. The cash generated from operating activities was \$4.6 million for the quarter as compared to a usage of \$0.2 million in 2007.

## First Quarter 2008 Highlights:

During the three months ended March 31, 2008, the Company had the following performance highlights and significant events:

- Net earnings of \$1,099,000 an increase of 55.9% over the 2007 results for the same period, and a 35.5% increase in earnings before interest, income taxes, depreciation and amortization<sup>1</sup> (“EBITDA”) from \$2,204,000 in the three months ended March 31, 2007 to \$2,986,000 for the same period in 2008.
- Positive cashflows from operations of \$4,585,000 versus a use of cash of \$175,000 for the three months ended March 31, 2007.
- The Company continued the development and introduction of new products into the marketplace. Bringing new products to market continues to be a very important component of the Company's growth strategy. In 2008 Opta introduced a staurolite based abrasive into the North American market. Opta has entered into a three year exclusive supply arrangement for staurolite with a large multinational mining company who recently expanded operations in the United States. This business is expected to add an incremental \$2.25 million in revenue per year at margins consistent with the Company's current abrasive operations. Powerblast will be broadly available to customers in Canada and the United States through Opta's distribution network of 14 production and distribution facilities.

Opta Minerals' President and CEO, David Kruse, plans to host a conference call at 9:15 AM Eastern Standard Time, on Monday, May 12, 2008, at the Company's annual general meeting to discuss the first quarter 2008 results and recent corporate developments. After opening remarks, there will be a question and answer period. This conference call can be accessed with the toll free dial-in number 1-(866) 321-6651 or (416) 642-5212, quote confirmation code 4075553. If you are unable to listen live, the conference call will be archived and can be accessed at the following replay numbers between May 12<sup>th</sup> and May 19<sup>th</sup> 2008, with the toll free dial-in number 1-(888) 203-1112 or (647) 436-0148 followed by pass code: 4075553.

Opta Minerals is a vertically integrated provider of custom process optimization solutions and related materials for use primarily in the steel, foundry, loose abrasive cleaning, roof shingle granules and municipal water filtration industries. The Company currently has production and distribution facilities in Ontario, Québec, Louisiana, South Carolina, Virginia, Maryland, Indiana, Ohio, Michigan, New York and Kosice Slovakia and one of the broadest product lines in the industry.

For further information, please contact:

**Opta Minerals Inc.**

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## FOOTNOTES:

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Earnings before income taxes and interest (“EBIT”); and earnings before interest, income taxes, depreciation and amortization (“EBITDA”) as defined below, are both non-GAAP earnings measures that do not have standardized measures prescribed by GAAP, and therefore may not be comparable to similar measures presented by other publicly traded companies.

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<sup>1</sup> EBITDA is a non GAAP measure used by management to measure performance. Please see section 9 of this report for a discussion on the calculation of EBITDA.

	<b>For the twelve Months Ended March 31</b>	
	<b>2008</b>	<b>2007</b>
	\$	\$
<b>Net Earnings for the Period</b>	1,099	705
Interest Expense	566	371
Provision for Income taxes	338	387
Depreciation and Amortization	983	741
<b>EBITDA<sup>1</sup></b>	<u>2,986</u>	<u>2,204</u>
Add (subtract):		
Depreciation and Amortization	(983)	(741)
<b>Earnings before income taxes and interest<sup>2</sup></b>	<u>2,003</u>	<u>1,463</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.
- 2) The term “EBIT” refers to earnings before income taxes and interest expense. 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 or taxed. EBIT is a non-GAAP earnings measure that does not have standardized measures prescribed by GAAP, and therefore may not be comparable to similar measures presented by other publicly traded companies.

This press release may contain “forward-looking statements” which reflect the current expectations of management of the Company regarding the Company’s future growth, results of operations, performance, business prospects and opportunities. Wherever possible, words such as “may”, “would”, “could”, “should”, “will”, “anticipate”, “believe”, “plan”, “expect”, “intend”, “estimate”, “aim”, “endeavour”, “seek”, “predict”, “potential” and similar expressions have been used to identify these forward-looking statements. These statements reflect management’s current beliefs with respect to future events and are based on information currently available to management of the Company. Forward-looking statements involve significant risks, uncertainties and assumptions. Many factors could cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, without limitation, cancellations of or the failure to renew purchase orders; production and delivery issues; quality, pricing and availability of raw materials; compliance with environmental regulations; exchange rate fluctuations as well as the other risks identified in the “Risk Factors” section of the Company’s Annual Information Form and other public filings (copies of which may be obtained at [www.sedar.com](http://www.sedar.com)). Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements may vary materially from those expressed or implied by this press release. These factors should be considered carefully and reader should not place undue reliance on the forward-looking statements. Although any forward-looking statements contained in this press release are based upon what management currently believes to be reasonable assumptions, the Company cannot assure readers that actual results, performance or achievements will be consistent with these forward-looking statements, and management’s assumptions may prove to be incorrect. These forward-looking statements are made as of the date of this press release and, other than as required by law, the Company does not intend, and does not assume any obligation, to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

## Opta Minerals Inc.

Consolidated Statements of Earnings

For the three month periods ended March 31, 2008 and 2007

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

	<b>2008</b>	<b>2007</b>
	\$	\$
<b>Revenue</b>	21,370	16,463
<b>Cost of goods sold</b>	15,815	12,398
<b>Gross profit</b>	5,555	4,065
<b>Selling, general and administrative expenses</b>	2,908	2,231
<b>Earnings before the following</b>	2,647	1,834
<b>Interest expense - net</b>	566	371
<b>Amortization of intangible assets</b>	428	304
<b>Stock compensation expense</b>	57	34
<b>Foreign exchange loss</b>	159	33
<b>Earnings before income taxes</b>	1,210	742
<b>Provision for income taxes</b>	338	387
<b>Net earnings for the period</b>	1,099	705
<b>Earnings per share for the period</b>		
Basic and diluted	0.06	0.04

# Opta Minerals Inc.

## Consolidated Balance Sheets

(Expressed in thousands of U.S. dollars)

	March 31, 2008	December 31, 2007	March 31, 2007
	\$	\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	3,904	2,336	169
Accounts receivable	10,619	10,486	9,652
Inventories	16,055	19,219	14,258
Prepaid expenses and other current assets	1,422	1,566	1,282
Income taxes recoverable	-	148	215
	<u>32,000</u>	<u>33,755</u>	<u>25,576</u>
<b>Property, plant and equipment – net</b>	18,869	19,531	18,025
<b>Intangible and other assets - net</b>	34,068	32,871	20,210
<b>Goodwill</b>	10,520	10,606	10,028
<b>Future Income Taxes</b>	1,907	1,469	824
	<u>97,364</u>	<u>98,232</u>	<u>74,663</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Bank indebtedness	5,481	5,989	6,995
Accounts payable and accrued liabilities	5,848	5,773	4,686
Income taxes payable	17	-	-
Current portion of long-term debt	4,056	7,314	3,158
Current portion of preference shares	45	47	40
	<u>15,447</u>	<u>19,123</u>	<u>14,879</u>
<b>Long-term debt</b>	23,199	23,204	12,261
<b>Other long-term liabilities</b>	1,624	1,624	2,150
<b>Future income taxes</b>	12,944	12,724	10,534
	<u>53,214</u>	<u>56,675</u>	<u>39,824</u>
<b>Shareholder's Equity</b>			
<b>Capital stock</b>			
Authorized: Unlimited number of common shares and preference shares without par value			
Issued			
17,988,029 (December 31, 2007 – 17,984,200, March 31, 2007 – 16,967,682) common shares	17,540	17,528	14,094
<b>Contributed surplus</b>	1,421	1,364	1,244
<b>Retained earnings</b>	20,283	19,184	16,541
<b>Accumulated other comprehensive income</b>	4,906	3,481	2,960
	<u>44,150</u>	<u>41,557</u>	<u>34,839</u>
	<u>97,364</u>	<u>98,232</u>	<u>74,663</u>

## Opta Minerals Inc.

Consolidated Statements of Cash Flows

For the three month periods ended March 31, 2008 and 2007

(Expressed in thousands of U.S. dollars)

	2008	2007
	\$	\$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net earnings for the period	1,099	705
Items not affecting cash		
Amortization of property, plant and equipment	555	437
Amortization of intangible assets	428	304
Stock compensation expense	57	34
Future income taxes	(460)	(63)
Unrealized foreign exchange loss (gain) on long term debt	152	(30)
Realized foreign exchange gain on translation of foreign operations	(75)	-
Net (gain) loss on disposal of property, plant and equipment	(6)	7
	<u>1,750</u>	<u>1,394</u>
Changes in non-cash working capital		
Accounts receivable	(21)	(1,489)
Inventories	2,909	(115)
Prepaid expenses and other current assets	131	213
Accounts payable and accrued liabilities	(376)	(210)
Income taxes recoverable	192	31
	<u>4,585</u>	<u>(176)</u>
<b>Investing activities</b>		
Acquisition of property, plant and equipment	(119)	(790)
Proceeds on disposal of property, plant and equipment	18	18
Additional consideration paid on acquisitions	(7)	(12)
	<u>(108)</u>	<u>(784)</u>
<b>Financing Activities</b>		
Proceeds from issuance of common shares	12	9
(Decrease) increase in bank indebtedness	(326)	168
Proceeds from long term debt	3,075	1,497
Repayment of long term debt	(5,724)	(1,399)
	<u>(2,963)</u>	<u>275</u>
<b>Foreign exchange loss on cash held in foreign currency</b>	<u>54</u>	<u>-</u>
<b>Increase in cash and cash equivalents during the period</b>	1,568	(685)
<b>Cash and cash equivalents – Beginning of period</b>	<u>2,336</u>	<u>854</u>
<b>Cash and cash equivalents – End of period</b>	<u>3,904</u>	<u>169</u>
<b>Supplemental cash flow information</b>		
Interest paid	761	561
Income taxes paid	649	397

## Opta Minerals Inc.

### Segmented Information

For the three months ended March 31, 2008

(Expressed in thousands of U.S. dollars)

For the three month period ended March 31, 2008

	Mill and foundry products and services \$	Abrasive manufacturing and distribution operations \$	Unallocated \$	Total \$
External revenue by market				
Canada	3,125	1,272	-	4,397
U.S.	10,999	3,829	-	14,828
Europe	2,108	-	-	2,108
Other	30	7	-	37
Total revenue from external customers	<u>16,262</u>	<u>5,108</u>	<u>-</u>	<u>21,370</u>
Segment net earnings before interest expense and income taxes	2,390	736	(1,123)	2,003
Interest expense on long term debt				388
Interest expense				178
Provision for income taxes				<u>338</u>
Net earnings				<u>1,099</u>
Total assets as at March 31, 2008	<u>65,717</u>	<u>28,847</u>	<u>2,800</u>	<u>97,364</u>
Amortization of property plant and equipment	<u>273</u>	<u>249</u>	<u>33</u>	<u>555</u>
Amortization of intangible assets	<u>415</u>	<u>13</u>	<u>-</u>	<u>428</u>
Goodwill and intangible assets as at December 31, 2007	<u>37,362</u>	<u>7,226</u>	<u>-</u>	<u>44,588</u>
Expenditures on property, plant and equipment	<u>5</u>	<u>79</u>	<u>35</u>	<u>119</u>

**Opta Minerals Inc.**

## Segmented Information

For the three months ended March 31, 2007

(Expressed in thousands of U.S. dollars)

**For the three month period ended March 31, 2007**

	<b>Mill and Foundry Products and Services</b>	<b>Abrasive Manufacturing and distribution operations</b>	<b>Unallocated</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
External revenue by market				
Canada	2,531	1,154	-	3,685
U.S.	8,846	3,763	-	12,609
Europe	73	-	-	73
Other	96	-	-	96
Total revenue from external customers	<u>11,546</u>	<u>4,917</u>	-	<u>16,463</u>
Segment net earnings before interest expense and income taxes	1,365	735	(637)	1,463
Interest expense on long term debt				272
Interest expense				99
Provision for income taxes				<u>387</u>
Net earnings				<u>705</u>
Total assets as at December 31, 2007	<u>63,182</u>	<u>32,384</u>	<u>2,666</u>	<u>98,232</u>
Amortization of property plant and equipment	<u>177</u>	<u>256</u>	<u>4</u>	<u>437</u>
Amortization of intangible assets	<u>292</u>	<u>12</u>	-	<u>304</u>
Goodwill and intangible assets as at December 31, 2006	<u>36,149</u>	<u>7,328</u>	-	<u>43,477</u>
Expenditures on property, plant and equipment	<u>222</u>	<u>565</u>	<u>3</u>	<u>790</u>