

## Opta Minerals Inc. Reports First Quarter Results for Fiscal 2010

WATERDOWN, ONTARIO--(Marketwire – May 13<sup>th</sup>, 2010) - Opta Minerals Inc. (TSX:OPM), today announced results for the three months ended March 31, 2010. All figures are reported in U.S. dollars and in accordance with Canadian Generally Accepted Accounting Principles (GAAP), except where otherwise noted.

For the three months ended March 31, 2010, the net earnings were \$1.0 million, or \$0.05 per diluted common share, versus a net loss of (\$0.3 million) or (\$0.02) per diluted common share for the first quarter in 2009. Earnings before income taxes and non-controlling interest were \$1.4 million for the three months ended March 31, 2010, versus a loss of (\$0.8 million) for the comparative period in 2009. Operating activities have returned to profitability through a strengthening in the global economy, an increase in steel production and the benefit of our cost saving measures put into place during fiscal 2009.

Revenues for the three months ended March 31, 2010 increased 22% to \$17.9 million from \$14.7 million in 2009. Gross profit for the quarter increased to \$4.6 million or 25.6% of revenue, versus \$2.5 million or 16.7% of revenue in 2009. The improvement in gross profit as a percentage of revenue over the previous period is a result of the benefit of cost saving measures and strengthening revenues.

David Kruse, President and CEO of Opta Minerals, noted “During the first quarter, Opta Minerals continued to see signs of economic recovery in our related industries and we have continued to increase production to meet the demand. We are pleased with the continued direction of the economic environment.

Over the past 6 quarters we implemented cost-saving measures to realign operations with current customer demand including a workforce reduction, as well as, the consolidation of several of our operating and distribution facilities.”

For the three months ended March 31, 2010, cash flow from operating activities before changes in working capital generated \$1.6 million versus a use of (\$0.2 million) in the first quarter of 2009. The strong cash flow was used to finance working capital and payments on long-term debt in the amount of \$0.4 million.

Selling, general and administrative expenses declined from 15.4% of revenues for the first quarter of 2009 to 13.0% of revenues in the first quarter of 2010. Most of the decrease was a result of the cost reduction initiatives put in place by management during the past 6 quarters offset by the strengthening Canadian dollar against the U.S. dollar which impacted the reported value of corporate costs which are largely denominated in Canadian dollars.

EBITDA for the quarter increased from \$0.8 million in 2009 to \$2.8 million for the three months ended March 31, 2010, as a result of the continued economic recovery. Opta Minerals remains focused on working capital management whilst maintaining production requirements to meet customer demands.

The Company’s working capital at March 31, 2010 was at \$12.3 million and total assets were \$86.8 million, virtually unchanged from the year ended December 31, 2009. The debt-to-equity ratio at March 31, 2010 was 0.73 to 1.00.

Opta Minerals President and CEO, David Kruse, plans to host a conference call at 10:00AM Eastern Standard Time on Friday, May 14<sup>th</sup>, 2010 to discuss first quarter 2010 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-(800) 820-0231 or 1-(416) 640-5926; quote confirmation code 5170471. If you are unable to listen live, the conference call will be archived and can be accessed between May 14<sup>th</sup>, 2010 and May 21<sup>st</sup>, 2010, with the toll free dial-in number 1-(888) 203-1112 or (647) 436-0148 followed by pass code 5170471.

Opta Minerals is a vertically integrated provider of custom process solutions and industrial mineral products used primarily in the steel, foundry, loose abrasive cleaning, water-jet cutting and municipal water filtration industries. The Company has production and distribution facilities in Ontario, Quebec, Louisiana, South Carolina, Virginia, Maryland, Indiana, Michigan, New York, Texas, Florida, France and Slovakia. Opta has one of the broadest product lines in the industry.

For further information, please contact:

**Opta Minerals Inc.**

David Kruse, President and Chief Executive Officer

David Ascott, Chief Financial Officer and Secretary

Tel: 905-689-7361, ext 404

[investor\\_relations@optaminerals.com](mailto:investor_relations@optaminerals.com)

Website: [www.optaminerals.com](http://www.optaminerals.com)

**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.

	<b>For the three Months Ended March 31</b>	
	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>Net Earnings (Loss) for the Period</b>	976	(326)
Interest Expense	440	424
Provision for (recovery of) Income Taxes	396	(309)
Depreciation and Amortization	1,016	988
<b>EBITDA<sup>1</sup></b>	<b>2,828</b>	<b>777</b>
Add (subtract):		
Depreciation and Amortization	(1,016)	(988)
<b>Earnings (loss) before income taxes and interest<sup>2</sup></b>	<b>1,812</b>	<b>(211)</b>

**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 (Loss)****(Unaudited)**

For the Three Month Periods Ended March 31, 2010 and 2009

Expressed in Thousands of U.S. Dollars (except per share amounts)

	2010	2009
Revenue	\$ 17,931	\$ 14,726
Cost of Goods Sold	13,337	12,268
Gross Profit	4,594	2,458
Selling, General and Administrative Expenses	2,326	2,266
Earnings Before Underrated Items, Income Taxes and Non-controlling Interest	2,268	192
Interest expense on long-term debt	347	267
Interest expense	93	157
Amortization of intangible assets	466	437
Stock compensation expense	62	70
Other income	-	(171)
Foreign exchange (gain) loss	(72)	199
	896	959
Earnings (Loss) Before Income Taxes and Non-controlling Interest	1,372	(767)
Provision for (recovery of) income taxes	396	(309)
Net Earnings (Loss) Before Non-Controlling Interest	\$ 976	\$ (458)
Net loss attributable to non-controlling interest	-	(132)
Net Earnings (Loss) Attributable to Opta Minerals Inc.	976	(326)
Earnings (loss) per share for the period		
-Basic and diluted	\$ 0.05	\$ (0.02)

**Opta Minerals Inc.**  
**Consolidated Balance Sheets**  
**(Unaudited)**  
Expressed in Thousands of U.S. Dollars

	March 31, 2010	December 31, 2009 (audited)	March 31, 2009
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents	\$ 1,856	\$ 781	\$ 1,374
Accounts receivable	10,230	9,422	7,869
Inventories	16,590	17,181	18,835
Prepaid expenses and other current assets	785	628	1,843
Assets held for sale	-	-	634
Income taxes recoverable	281	584	439
	<b>29,742</b>	<b>28,596</b>	<b>30,994</b>
<b>Property, Plant and Equipment</b>	<b>17,900</b>	<b>17,796</b>	<b>16,316</b>
<b>Intangible and Other Assets</b>	<b>30,386</b>	<b>31,691</b>	<b>31,729</b>
<b>Goodwill</b>	<b>6,019</b>	<b>6,019</b>	<b>13,588</b>
<b>Future Income Taxes</b>	<b>2,784</b>	<b>2,779</b>	<b>2,540</b>
	<b>\$ 86,831</b>	<b>\$ 86,881</b>	<b>\$ 95,167</b>
<b>Liabilities</b>			
<b>Current</b>			
Bank indebtedness	4,368	3,355	6,972
Accounts payable and accrued liabilities	7,865	8,544	6,414
Current portion of long-term debt	5,132	4,495	4,105
Current portion of preference shares	46	44	37
	<b>17,411</b>	<b>16,438</b>	<b>17,528</b>
<b>Long-term Debt</b>	<b>18,475</b>	<b>18,912</b>	<b>18,696</b>
<b>Other Long-term Liabilities</b>	<b>1,216</b>	<b>1,387</b>	<b>2,965</b>
<b>Future Income Taxes</b>	<b>2,572</b>	<b>2,674</b>	<b>2,786</b>
<b>Future Income Taxes on Intangible Assets</b>	<b>8,924</b>	<b>9,213</b>	<b>9,380</b>
	<b>48,598</b>	<b>48,624</b>	<b>51,355</b>
<b>Shareholders' Equity</b>			
<b>Capital Stock</b>			
Authorized unlimited number of common shares and preference shares without par value			
Issued -			
18,027,074 (December 31, 2009 - 18,023,193; March 31, 2009 - 18,008,095) common shares	17,616	17,612	17,594
<b>Contributed Surplus</b>	<b>2,012</b>	<b>1,950</b>	<b>1,735</b>
<b>Accumulated Other Comprehensive Income</b>	<b>2,436</b>	<b>3,502</b>	<b>3,279</b>
<b>Retained Earnings</b>	<b>16,169</b>	<b>15,193</b>	<b>21,336</b>
	<b>38,233</b>	<b>38,257</b>	<b>43,944</b>
<b>Non-controlling Interest</b>	<b>-</b>	<b>-</b>	<b>(132)</b>
	<b>\$ 86,831</b>	<b>\$ 86,881</b>	<b>\$ 95,167</b>

**Opta Minerals Inc.**  
**Consolidated Statements of Cash Flows**  
**(Unaudited)**  
**For the Three Month Periods Ended March 31, 2010 and 2009**  
**Expressed in Thousands of U.S. Dollars**

	2010	2009
<b>Cash Provided By (Used in) -</b>		
<b>Operating Activities</b>		
Net earnings (loss) for the period	\$ 976	\$ (458)
Items not affecting cash		
Amortization of property, plant and equipment	550	551
Amortization of intangible assets	466	437
Other (income) expenses	-	(171)
Stock compensation expense	62	70
Future income taxes (recovery)	(338)	(446)
Realized foreign exchange gain on foreign operations	(99)	(224)
	<u>1,617</u>	<u>(241)</u>
Changes in non-cash working capital		
Accounts receivable	(862)	1,121
Inventories	718	3,137
Prepaid expenses and other current assets	(156)	(78)
Accounts payable and accrued liabilities	(652)	(1,124)
Income taxes recoverable	294	(82)
	<u>959</u>	<u>2,733</u>
<b>Financing Activities</b>		
Proceeds from issuance of common shares - net of issuance costs	4	7
Increase (decrease) in bank indebtedness	951	(482)
Proceeds from long-term debt	-	733
Repayment of long-term debt	(350)	(2,038)
	<u>605</u>	<u>(1,780)</u>
<b>Investing Activity</b>		
Acquisition of property, plant and equipment	(461)	(920)
Foreign Exchange Loss on Cash Held in Foreign Currency	(28)	(36)
Increase (Decrease) in Cash and Cash Equivalents	<u>1,075</u>	<u>(3)</u>
<b>Cash and Cash Equivalents</b>		
Beginning of Period	781	1,377
End of Period	<u>\$ 1,856</u>	<u>\$ 1,374</u>
<b>Additional Cash Flows Information:</b>		
Interest paid	\$ 510	\$ 558
Income taxes paid	402	196

# Opta Minerals Inc.

## Segmented Information

For the three months ended March 31, 2010

Expressed in thousands of U.S. dollars

Three Month Period Ended March 31, 2010

	Mill and foundry Products and services	Abrasive Products manu- facturing and Distribution operations	Unallocated	Total
External revenue by market				
Canada	\$ 1,815	\$ 1,335	\$ -	\$ 3,150
U.S.	7,380	4,630	-	12,010
Europe	2,724	-	-	2,724
Other	1	46	-	47
Total revenue from external customers	11,920	6,011	-	17,931
Segment earnings (loss) before interest expense, income taxes and non-controlling interest	1,764	203	(155)	1,812
Interest expense on long-term debt				(347)
Interest expense				(93)
Provision for income taxes				(396)
Net earnings for the period				976
Total assets as at March 31, 2010	55,503	28,870	2,458	86,831
Amortization of property, plant and equipment	296	230	24	550
Amortization of intangible assets	460	6	-	466
Goodwill and intangible assets as at March 31, 2010	32,804	3,601	-	36,405
Expenditures on property, plant and equipment	\$ 37	\$ 303	\$ 121	\$ 461

# Opta Minerals Inc.

## Segmented Information

For the three months ended March 31, 2009

Expressed in thousands of U.S. dollars

	Three Month Period Ended March 31, 2009			
	Mill and foundry Products and services	Abrasive Products manu- facturing and Distribution operations	Unallocated	Total
External revenue by market				
Canada	\$ 2,192	\$ 800	\$ -	\$ 2,992
U.S	6,360	3,321	-	9,681
Europe	1,918	-	-	1,918
Other	125	10	-	135
Total revenue from external customers	10,595	4,131	-	14,726
Segment earnings (loss) before interest expense, income taxes and non-controlling interest	(364)	72	(51)	(343)
Interest expense on long-term debt				(267)
Interest expense				(157)
Recovery of income taxes				309
Non-controlling interest share of net (earnings) loss				132
Net earnings (loss) for the period				(326)
Total assets as at December 31, 2009	56,661	28,121	2,099	86,881
Amortization of property, plant and equipment	336	200	15	551
Amortization of intangible assets	430	7	-	437
Goodwill and intangible assets as at December 31, 2009	34,105	3,605	-	37,710
Expenditures on property, plant and equipment	\$ 88	\$ 822	\$ 10	\$ 920