

Opta Minerals Inc. Reports Second Quarter Record Results in 2008

WATERDOWN, ONTARIO--(CCNMatthews – August 14, 2008) - Opta Minerals Inc. (TSX:OPM), 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, today announced results for the three and six months ended June 30, 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 second quarter revenue for fiscal 2008 of \$25.2 million and year-to-date revenue of \$46.6 million, a 34% increase over the first half of 2007. Earnings before interest, income taxes, depreciation and amortization (“EBITDA”) was \$4.3 million for the quarter and \$7.3 million year-to-date, a 45% increase over the \$5.0 million reported in the first half of 2007. Results have been positively affected by the inclusion of a full six months of results from the Newco Slovakia division that was acquired in the third quarter of 2007, along with strong demand for steel related products from North American steel producers.

Gross profit for the three months ended June 30, 2008 was \$6.6 million and year-to-date gross profit was \$12.2 million, a 43% increase over the \$8.5 million recorded in the first six months of 2007. Gross profit for the three months ended June 30, 2007 was \$4.4 million.

Earnings before income taxes and interest (“EBIT”) for the three months ended June 30, 2008 were \$3.3 million, bringing year-to-date EBIT to \$5.3 million, a 50% increase over the first six months ended June 30, 2007. For the three months ended June 30, 2007 the Company reported EBIT of \$2.0 million.

Net earnings for the three months ended June 30, 2008 were \$1.9 million or \$0.11 per diluted common share, bringing year-to-date net earnings to \$3.0 million or \$0.17 per diluted common share, a 63% increase compared to the results of first six months ended June 30, 2007. For the three months ended June 30, 2007 the Company reported net earnings of \$1.2 million.

The Company continues to maintain a strong balance sheet, with working capital of \$19.3 million and total assets of \$104.1 million. The debt to equity ratio as at June 30, 2008 was 0.73 to 1.00. The usage of cash from operating activities was \$2.8 million for the quarter as compared to cash generated of \$400,000 in 2007. Year-to-date the cash generated from operating activities was \$1.8 million compared to \$200,000 for the six months ended June 30, 2007.

Significant events following the quarter

- On July 9, 2008, the Company completed the acquisition of 67% of the outstanding common shares of MCP Mg-Serbien SAS (“MCP”) of France. The transaction includes an option to acquire the remaining 33% minority interest on similar terms. For fiscal 2007 MCP recorded revenues of approximately US \$6.3 million selling ground magnesium products. Opta has also secured an option to purchase a majority position in an associated company located in Europe, which is focused on the production of magnesium ingots.

David Kruse, President and Chief Executive Officer, said "This has been an excellent year for Opta Minerals. The strong results reported are a direct result of the acquisition in Europe in 2007, along with strong demand for product from our steel mill customers in North America. Despite current economic conditions in the U.S., demand for steel remains strong and domestic producers have benefited from the decline in the value of the U.S. dollar as it has made foreign import steel less competitive.

In July we continued the expansion of our European operations with the acquisition of MCP Mg-Serbien SAS ("MCP"). MCP has a state of the art metal grinding facility located near Valence France, allowing Opta to grind ingots of magnesium or other soft metals, both in its Walkerton Indiana facility as well as at MCP in Europe. This is a natural vertical addition to our existing magnesium business which uses granulated magnesium as its primary component. In addition to MCP, we have negotiated an option to acquire a majority interest in an affiliated company also located in Europe, which is focused on the production of magnesium ingots from both scrap and primary sources. There is enormous demand for magnesium ingots currently and we believe that further vertical integration into ingot production will drive significant shareholder value for Opta in the future".

Opta Minerals' President and CEO, David Kruse, plans to host a conference call at 10:00 AM Eastern Standard Time, on August 15, 2008 to discuss the second 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) 321-8231 or (416) 642-5213, quote confirmation code 6142321. If you are unable to listen live, the conference call will be archived and can be accessed at the following replay numbers between August 15 and August 22, 2008, with the toll free dial-in number 1-(888) 203-1112 or (647) 436-0148 followed by pass code: 6142321.

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, Kosice Slovakia, and Romans-sur-Isère France and one of the broadest product lines in the industry.

For further information, please contact:

Opta Minerals Inc.

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FOOTNOTES:

Earnings before income taxes an 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.

(unaudited)	For the Three Months Ended June 30	
	2008 \$	2007 \$
Net Earnings for the Period	1,930	1,150
Interest Expense	494	384
Provision for Income taxes	853	514
Depreciation and Amortization	1,001	748
EBITDA¹	4,278	2,796
Add (subtract):		
Depreciation and Amortization	(1,001)	(748)
Earnings before income taxes and interest²	3,277	2,048

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). 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 June 30, 2008 and 2007

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

(Unaudited)

	2008	2007
	\$	\$
Revenue	25,248	18,390
Cost of goods sold	18,650	13,955
Gross profit	6,598	4,435
Selling, general and administrative expenses	2,824	2,203
Earnings before the following	3,774	2,232
Interest expense - net	494	384
Amortization of intangible assets	437	282
Stock compensation expense	56	35
Foreign exchange loss (gain)	4	(133)
	991	568
Earnings before income taxes	2,783	1,664
Provision for income taxes	853	514
Net earnings for the period	1,930	1,150
Earnings per share for the period		
Basic and diluted	0.11	0.07

Opta Minerals Inc.

Consolidated Statements of Earnings

For the six month periods ended June 30, 2008 and 2007

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

(Unaudited)

	2008	2007
	\$	\$
Revenue	46,618	34,853
Cost of goods sold	34,465	26,353
Gross profit	12,153	8,500
Selling, general and administrative expenses	5,732	4,434
Earnings before the following	6,421	4,066
Interest expense - net	1,060	755
Amortization of intangible assets	865	586
Stock compensation expense	113	69
Foreign exchange loss (gain)	163	(100)
	2,201	1,310
Earnings before income taxes	4,220	2,756
Provision for income taxes	1,191	901
Net earnings for the period	3,029	1,855
Earnings per share for the period		
Basic and diluted	0.17	0.11

Opta Minerals Inc.

Consolidated Balance Sheets

(Expressed in thousands of U.S. dollars)

(Unaudited)

	June 30, 2008	December 31, 2007	June 30, 2007
	\$	\$	\$
Assets			
Current assets			
Cash and cash equivalents	2,832	2,336	415
Accounts receivable	13,576	10,486	9,888
Inventories	21,303	19,219	16,435
Prepaid expenses and other current assets	971	1,566	890
Income taxes recoverable	-	148	67
	<u>38,682</u>	<u>33,755</u>	<u>27,695</u>
Property, plant and equipment – net	18,607	19,531	18,800
Intangible and other assets - net	34,648	32,871	19,928
Goodwill	10,541	10,606	10,237
Future Income Taxes	1,625	1,469	733
	<u>104,103</u>	<u>98,232</u>	<u>77,393</u>
Liabilities			
Current liabilities			
Bank indebtedness	7,843	5,989	8,446
Accounts payable and accrued liabilities	7,378	5,773	4,464
Income taxes payable	93	-	-
Current portion of long-term debt	4,050	7,314	3,348
Current portion of preference shares	45	47	44
	<u>19,409</u>	<u>19,123</u>	<u>16,302</u>
Long-term debt	22,764	23,204	12,353
Other long-term liabilities	1,624	1,624	2,150
Future income taxes	12,937	12,724	10,274
	<u>56,734</u>	<u>56,675</u>	<u>41,079</u>
Shareholder's Equity			
Capital stock			
Authorized: Unlimited number of common shares and preference shares without par value			
Issued			
17,992,752 (December 31, 2007 – 17,984,200, June 30, 2007 – 16,976,627) common shares	17,558	17,528	14,147
Contributed surplus	1,477	1,364	1,263
Retained earnings	22,213	19,184	17,691
Accumulated other comprehensive income	6,121	3,481	3,213
	<u>47,369</u>	<u>41,557</u>	<u>36,314</u>
	<u>104,103</u>	<u>98,232</u>	<u>77,393</u>

Opta Minerals Inc.

Consolidated Statements of Cash Flows
For the three month periods ended June 30, 2008 and 2007
(Expressed in thousands of U.S. dollars)
(Unaudited)

	2008	2007
	\$	\$
Cash provided by (used in)		
Operating activities		
Net earnings for the period	1,930	1,150
Items not affecting cash		
Amortization of property, plant and equipment	564	466
Amortization of intangible assets	437	282
Stock compensation expense	56	35
Future income taxes	53	(112)
Unrealized foreign exchange gain on long term debt	(8)	(273)
Net loss on disposal of property, plant and equipment	2	-
	<u>3,034</u>	<u>1,548</u>
Changes in non-cash working capital		
Accounts receivable	(2,864)	73
Inventories	(5,158)	(1,465)
Prepaid expenses and other current assets	445	440
Accounts payable and accrued liabilities	1,711	(363)
Income taxes payable	55	165
	<u>(2,777)</u>	<u>398</u>
Investing activities		
Acquisition of property, plant and equipment	(196)	(610)
Additional consideration paid on acquisitions	(4)	(12)
	<u>(200)</u>	<u>(622)</u>
Financing Activities		
Proceeds from issuance of common shares	18	37
Increase in bank indebtedness	2,363	774
Repayment of long term debt	(577)	(341)
	<u>1,804</u>	<u>470</u>
Foreign exchange gain on cash held in foreign currency	<u>101</u>	<u>-</u>
(Decrease) increase in cash and cash equivalents during period	(1,072)	246
Cash and cash equivalents – Beginning of period	<u>3,094</u>	<u>169</u>
Cash and cash equivalents – End of period	<u>2,832</u>	<u>415</u>
Supplemental cash flow information		
Interest paid	451	393
Income taxes paid	719	578

Opta Minerals Inc.

Consolidated Statements of Cash Flows

For the six month periods ended June 30, 2008 and 2007

(Expressed in thousands of U.S. dollars)

(Unaudited)

	2008	2007
	\$	\$
Cash provided by (used in)		
Operating activities		
Net earnings for the period	3,029	1,855
Items not affecting cash		
Amortization of property, plant and equipment	1,119	903
Amortization of intangible assets	865	586
Stock compensation expense	113	69
Future income taxes	(407)	(175)
Unrealized foreign exchange loss (gain) on long term debt	144	(303)
Realized foreign exchange gain on foreign operations	(75)	-
Net (gain) loss on disposal of property, plant and equipment	(4)	7
	<u>4,784</u>	<u>2,942</u>
Changes in non-cash working capital		
Accounts receivable	(2,885)	(1,416)
Inventories	(2,249)	(1,580)
Prepaid expenses and other current assets	576	653
Accounts payable and accrued liabilities	1,335	(573)
Income taxes payable	247	196
	<u>1,808</u>	<u>222</u>
Investing activities		
Acquisition of property, plant and equipment	(315)	(1,400)
Proceeds on disposal of property, plant and equipment	18	18
Additional consideration paid on acquisitions	(11)	(24)
	<u>(308)</u>	<u>(1,406)</u>
Financing Activities		
Proceeds from issuance of common shares	30	46
Increase in bank indebtedness	2,037	942
Proceeds from long term debt	3,075	1,497
Repayment of long term debt	(6,301)	(1,740)
	<u>(1,159)</u>	<u>745</u>
Foreign exchange gain on cash held in foreign currency	<u>155</u>	<u>-</u>
Increase (decrease) in cash and cash equivalents during period	496	(439)
Cash and cash equivalents – Beginning of period	<u>2,336</u>	<u>854</u>
Cash and cash equivalents – End of period	<u>2,832</u>	<u>415</u>
Supplemental cash flow information		
Interest paid	1,212	954
Income taxes paid	1,368	975

Opta Minerals Inc.

Segmented Information

For the three months ended June 30, 2008

(Expressed in thousands of U.S. dollars)

(Unaudited)

For the three month period ended June 30, 2008

	Mill and foundry products and services \$	Abrasive manufacturing and distribution operations \$	Unallocated \$	Total \$
External revenue by market				
Canada	4,302	1,605	-	5,907
U.S.	12,107	4,669	-	16,776
Europe	2,554	-	-	2,554
Other	-	11	-	11
Total revenue from external customers	<u>18,963</u>	<u>6,285</u>	-	<u>25,248</u>
Segment net earnings before interest expense and income taxes	3,289	652	(664)	3,277
Interest expense on long term debt				381
Interest expense				113
Provision for income taxes				<u>853</u>
Net earnings				<u>1,930</u>
Total assets as at June 30, 2008	<u>70,397</u>	<u>30,739</u>	<u>2,967</u>	<u>104,103</u>
Amortization of property plant and equipment	<u>271</u>	<u>258</u>	<u>35</u>	<u>564</u>
Amortization of intangible assets	<u>425</u>	<u>12</u>	<u>-</u>	<u>437</u>
Goodwill and intangible assets as at June 30, 2008	<u>37,954</u>	<u>7,235</u>	<u>-</u>	<u>45,189</u>
Expenditures on property, plant and equipment	<u>6</u>	<u>169</u>	<u>21</u>	<u>196</u>

Opta Minerals Inc.

Segmented Information

For the six months ended June 30, 2008

(Expressed in thousands of U.S. dollars)

(Unaudited)

For the six month period ended June 30, 2008

	Mill and foundry products and services \$	Abrasive manufacturing and distribution operations \$	Unallocated \$	Total \$
External revenue by market				
Canada	7,427	2,877	-	10,304
U.S.	23,106	8,498	-	31,604
Europe	4,662	-	-	4,662
Other	30	18	-	48
Total revenue from external customers	<u>35,225</u>	<u>11,393</u>	-	<u>46,618</u>
Segment net earnings before interest expense and income taxes	5,679	1,388	(1,787)	5,280
Interest expense on long term debt				769
Interest expense				291
Provision for income taxes				<u>1,191</u>
Net earnings				<u>3,029</u>
Amortization of property plant and equipment	<u>544</u>	<u>507</u>	<u>68</u>	<u>1,119</u>
Amortization of intangible assets	<u>840</u>	<u>25</u>	-	<u>865</u>
Expenditures on property, plant and equipment	<u>11</u>	<u>248</u>	<u>56</u>	<u>315</u>

Opta Minerals Inc.

Segmented Information

For the three months ended June 30, 2007

(Expressed in thousands of U.S. dollars)

(Unaudited)

For the three month period ended June 30, 2007

	Mill and Foundry Products and Services \$	Abrasive Manufacturing and distribution operations \$	Unallocated \$	Total \$
External revenue by market				
Canada	2,874	1,617	-	4,491
U.S.	9,040	4,685	-	13,725
Europe	74	-	-	74
Other	71	29	-	100
Total revenue from external customers	<u>12,059</u>	<u>6,331</u>	-	<u>18,390</u>
Segment net earnings before interest expense and income taxes	1,076	1,282	(310)	2,048
Interest expense on long term debt				265
Interest expense				119
Provision for income taxes				<u>514</u>
Net earnings				<u>1,150</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>194</u>	<u>267</u>	<u>5</u>	<u>466</u>
Amortization of intangible assets	<u>270</u>	<u>12</u>	<u>-</u>	<u>282</u>
Goodwill and intangible assets as at December 31, 2007	<u>36,149</u>	<u>7,328</u>	<u>-</u>	<u>43,477</u>
Expenditures on property, plant and equipment	<u>186</u>	<u>404</u>	<u>20</u>	<u>610</u>

Opta Minerals Inc.

Segmented Information

For the six months ended June 30, 2007

(Expressed in thousands of U.S. dollars)

(Unaudited)

For the six month period ended June 30, 2007

	Mill and Foundry Products and Services	Abrasive Manufacturing and distribution operations	Unallocated	Total
	\$	\$	\$	\$
External revenue by market				
Canada	5,405	2,771	-	8,176
U.S.	17,886	8,448	-	26,334
Europe	147	-	-	147
Other	167	29	-	196
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue from external customers	23,605	11,248	-	34,853
	<hr/>	<hr/>	<hr/>	<hr/>
Segment net earnings before interest expense and income taxes	2,441	2,017	(947)	3,511
Interest expense on long term debt				537
Interest expense				218
Provision for income taxes				<hr/> 901
Net earnings				<hr/> 1,855
Amortization of property plant and equipment	371	523	9	903
	<hr/>	<hr/>	<hr/>	<hr/>
Amortization of intangible assets	562	24	-	586
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures on property, plant and equipment	408	969	23	1,400
	<hr/>	<hr/>	<hr/>	<hr/>