

Opta Minerals Inc. Reports Second Quarter Results for Fiscal 2010

WATERDOWN, ONTARIO--(Marketwire – August 11th, 2010) - Opta Minerals Inc. (TSX:OPM), today announced results for the three and six months ended June 30, 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 June 30, 2010, the net earnings were \$0.9 million, or \$0.05 per diluted common share, versus a net loss of (\$0.1 million) or \$0.00 per diluted common share for the second quarter in 2009. Year to date, the net earnings for the six months ended June 30, 2010 were \$1.8 million, or \$0.10 per diluted common share, versus a net loss of (\$0.4 million) or (\$0.02) per diluted common share during 2009. Operating activities continue to be profitable 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 June 30, 2010 increased 47% to \$21.1 million from \$14.3 million in 2009. Gross profit for the quarter increased to \$5.4 million or 25.5% of revenue, versus \$3.0 million or 20.6% of revenue in 2009. Revenues for the six months ended June 30, 2010 increased 34.4% to \$39.1 million from \$29.1 million in 2009. Gross profit for the six months ended June 30, 2010 increased to \$10.0 million or 25.5% of revenue, versus \$5.4 million or 18.6% 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 second 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.”

For the three months ended June 30, 2010, cash flow from operating activities before changes in working capital generated \$1.3 million versus \$0.5 million in the second quarter of 2009. The strong cash flow was used to finance working capital and payments on long-term debt in the amount of \$1.3 million. On a year to date basis, cash flows from operating activities before changes in working capital generated \$2.9 million versus \$0.2 million in 2009. The cash flow was used to finance working capital, repay long-term debt in the amount of \$1.6 million and invest in property, plant and equipment.

Selling, general and administrative expenses declined from 16.9% of revenues for the second quarter of 2009 to 13.1% of revenues in the second quarter of 2010. On a year to date basis, selling, general and administrative expenses declined from 16.1% of revenues for 2009 to 13.0% of revenues in 2010. Most of the decrease was a result of the cost reduction initiatives put in place by management 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 \$0.9 million in 2009 to \$2.7 million for the three months ended June 30, 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 June 30, 2010 was at \$12.8 million and total assets were \$86.9 million, virtually unchanged from the year ended December 31, 2009. The debt-to-equity ratio at June 30, 2010 was 0.69 to 1.00.

Opta Minerals President and CEO, David Kruse, plans to host a conference call at 2:00 PM Eastern Standard Time on Monday, August 16th, 2010 to discuss second 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 4613361. If you are unable to listen live, the

conference call will be archived and can be accessed between August 16th, 2010 and August 22nd, 2010, with the toll free dial-in number 1-(888) 203-1112 or 1-(647) 436-0148 followed by pass code 4613361.

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:

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FOOTNOTES:

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.

	For the three Months Ended June 30		For the six Months Ended June 30	
	2010	2009	2010	2009
	\$	\$	\$	\$
Net Earnings (Loss) for the Period	864	(79)	1,840	(405)
Interest Expense	444	393	884	817
Provision for (recovery of) Income Taxes	411	(229)	807	(538)
Depreciation and Amortization	1,005	850	2,021	1,838
EBITDA¹	2,724	935	5,552	1,712
Add (subtract):				
Depreciation and Amortization	(1,005)	(850)	(2,021)	(1,838)
Earnings (loss) before income taxes and interest²	1,719	85	3,531	(126)

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 (Loss)****(Unaudited)****For the Three Month Periods Ended June 30, 2010 and 2009****Expressed in Thousands of U.S. Dollars (except per share amounts)**

	2010	2009
Revenue	\$ 21,140	\$ 14,339
Cost of Goods Sold	15,753	11,381
Gross Profit	5,387	2,958
Selling, General and Administrative Expenses	2,769	2,426
Earnings Before Underrated Items, Income Taxes and Non-controlling Interest	2,618	532
Interest expense on long-term debt	355	288
Interest expense	89	105
Amortization of intangible assets	454	461
Stock compensation expense	61	68
Other (income) expense	-	455
Foreign exchange loss (gain)	384	(464)
	1,343	913
Earnings (Loss) Before Income Taxes and Non-controlling Interest	1,275	(381)
Provision for (recovery of) income taxes	411	(229)
Net Earnings (Loss) Before Non-Controlling Interest	\$ 864	\$ (152)
Net loss attributable to non-controlling interest	-	(73)
Net Earnings (Loss) Attributable to Opta Minerals Inc.	864	(79)
Earnings per share for the period		
- Basic and diluted	\$ 0.05	\$ -

Opta Minerals Inc.**Consolidated Statements of Earnings (Loss)****(Unaudited)****For the Six Month Periods Ended June 30, 2010 and 2009****Expressed in Thousands of U.S. Dollars (except per share amounts)**

	2010	2009
Revenue	\$ 39,071	\$ 29,065
Cost of Goods Sold	29,090	23,649
Gross Profit	9,981	5,416
Selling, General and Administrative Expenses	5,095	4,692
Earnings Before Underrated Items, Income Taxes and Non-controlling Interest	4,886	724
Interest expense on long-term debt	702	555
Interest expense	182	262
Amortization of intangible assets	920	898
Stock compensation expense	123	138
Other (income) expense	-	284
Foreign exchange loss (gain)	312	(265)
	2,239	1,872
Earnings (Loss) Before Income Taxes and Non-controlling Interest	2,647	(1,148)
Provision for (recovery of) income taxes	807	(538)
Net Earnings (Loss) Before Non-Controlling Interest	\$ 1,840	\$ (610)
Net loss attributable to non-controlling interest	-	(205)
Net Earnings (Loss) Attributable to Opta Minerals Inc.	1,840	(405)
Earnings per share for the period		
- Basic and diluted	\$ 0.10	\$ (0.02)

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

	June 30, 2010	December 31, 2009	June 30, 2009
Assets			
Current			
Cash and cash equivalents	\$ 1,111	\$ 781	\$ 1,872
Accounts receivable	11,945	9,422	8,753
Inventories	17,689	17,181	18,057
Prepaid expenses and other current assets	769	628	1,885
Assets held for sale	-	-	680
Income taxes recoverable	-	584	735
	31,514	28,596	31,982
Property, Plant and Equipment	17,415	17,796	17,177
Intangible and Other Assets	28,685	31,691	32,215
Goodwill	6,019	6,019	14,007
Future Income Taxes	3,271	2,779	3,224
	\$ 86,904	\$ 86,881	\$ 98,605
Liabilities			
Current			
Bank indebtedness	4,565	3,355	7,965
Accounts payable and accrued liabilities	9,085	8,544	7,270
Income taxes payable	533	-	-
Current portion of long-term debt	4,501	4,495	4,899
Current portion of preference shares	44	44	40
	18,728	16,438	20,174
Long-term Debt	17,353	18,912	18,658
Other Long-term Liabilities	1,187	1,387	2,636
Future Income Taxes	2,668	2,674	3,378
Future Income Taxes on Intangible Assets	8,568	9,213	9,417
	48,504	48,624	54,263
Shareholders' Equity			
Capital Stock			
Authorized unlimited number of common shares and preference shares without par value			
Issued -			
18,030,523 (December 31, 2009 - 18,023,193; June 30, 2009 - 18,014,536) common shares	17,622	17,612	17,601
Contributed Surplus	2,073	1,950	1,803
Accumulated Other Comprehensive Income	1,672	3,502	3,886
Retained Earnings	17,033	15,193	21,257
	38,400	38,257	44,547
Non-controlling Interest	-	-	(205)
	\$ 86,904	\$ 86,881	\$ 98,605

Opta Minerals Inc.
Consolidated Statements of Cash Flows
(Unaudited)
For the Three Month Periods Ended June 30, 2010 and 2009
Expressed in Thousands of U.S. Dollars

	2010	2009
Cash Provided By (Used in) -		
Operating Activities		
Net earnings (loss) for the period	\$ 864	\$ (152)
Items not affecting cash		
Amortization of property, plant and equipment	551	389
Amortization of intangible assets	454	461
Other expenses	-	116
Stock compensation expense	61	68
Future income taxes	(647)	(169)
Realized foreign exchange gain on foreign operations	(4)	(237)
	1,279	476
Changes in non-cash working capital		
Accounts receivable	(1,803)	(578)
Inventories	(1,226)	1,470
Prepaid expenses and other current assets	6	19
Accounts payable and accrued liabilities	1,629	452
Income taxes recoverable	800	(286)
	685	1,553
Financing Activities		
Proceeds from issuance of common shares - net of issuance costs	6	7
Increase in bank indebtedness	186	176
Proceeds from long-term debt	-	31
Repayment of long-term debt	(1,266)	(651)
	(1,074)	(437)
Investing Activities		
Acquisition of property, plant and equipment	(347)	(660)
Foreign Exchange (Gain) Loss on Cash Held in Foreign Currency	(9)	42
(Decrease) Increase in Cash and Cash Equivalents	(745)	498
Cash and Cash Equivalents		
Beginning of Period	1,856	1,374
End of Period	\$ 1,111	\$ 1,872
Additional Cash Flows Information:		
Interest paid	\$ 430	\$ 378
Income taxes paid	207	231

Opta Minerals Inc.
Consolidated Statements of Cash Flows
(Unaudited)
For the Six Month Periods Ended June 30, 2010 and 2009
Expressed in Thousands of U.S. Dollars

	2010	2009
Cash Provided By (Used in) -		
Operating Activities		
Net earnings (loss) for the period	\$ 1,840	\$ (610)
Items not affecting cash		
Amortization of property, plant and equipment	1,101	940
Amortization of intangible assets	920	898
Other (income) expenses	-	(55)
Stock compensation expense	123	138
Future income taxes	(985)	(615)
Realized foreign exchange gain on foreign operations	(103)	(461)
	2,896	235
Changes in non-cash working capital		
Accounts receivable	(2,665)	543
Inventories	(508)	4,607
Prepaid expenses and other current assets	(150)	(59)
Accounts payable and accrued liabilities	977	(672)
Income taxes recoverable	1,094	(368)
	1,644	4,286
Financing Activities		
Proceeds from issuance of common shares - net of issuance costs	10	14
Increase (decrease) in bank indebtedness	1,137	(306)
Proceeds from long-term debt	-	764
Repayment of long-term debt	(1,616)	(2,689)
	(469)	(2,217)
Investing Activities		
Acquisition of property, plant and equipment	(808)	(1,580)
Foreign Exchange (Gain) Loss on Cash Held in Foreign Currency	(37)	6
Increase in Cash and Cash Equivalents	330	495
Cash and Cash Equivalents		
Beginning of Period	781	1,377
End of Period	\$ 1,111	\$ 1,872
Additional Cash Flows Information:		
Interest paid	\$ 940	\$ 936
Income taxes paid	609	427

Opta Minerals Inc.
 Segmented Information
 For the Three Month Period Ended June 30, 2010
 Expressed in Thousands of U.S. Dollars

	Three Month Period Ended June 30, 2010			
	Mill and Foundry Products and Services	Abrasive Products Manu- facturing and Distribution Operations	Unallocated	Total
External revenue by market				
Canada	\$ 2,742	\$ 1,630	\$ -	\$ 4,372
U.S	8,312	5,478	-	13,790
Europe	2,930	11	-	2,941
Other	16	21	-	37
Total revenue from external customers	14,000	7,140	-	21,140
Segment earnings (loss) before interest expense and income taxes	2,033	354	(668)	1,719
Interest expense on long-term debt				(355)
Interest expense				(89)
Provision for income taxes				(411)
Net earnings for the period				864
Total assets as at June 30, 2010	53,074	32,352	1,478	86,904
Amortization of property, plant and equipment	279	244	28	551
Amortization of intangible assets	448	6	-	454
Goodwill and intangible assets as at June 30, 2010	31,110	3,594	-	34,704
Expenditures on property, plant and equipment	\$ 21	\$ 186	\$ 140	\$ 347

Opta Minerals Inc.
 Segmented Information
 For the Six Month Period Ended June 30, 2010
 Expressed in Thousands of U.S. Dollars

	Six Month Period Ended June 30, 2010			
	Mill and Foundry Products and Services	Abrasive Products Manu- facturing and Distribution Operations	Unallocated	Total
External revenue by market				
Canada	\$ 4,557	\$ 2,965	\$ -	\$ 7,522
U.S	15,692	10,108	-	25,800
Europe	5,654	11	-	5,665
Other	17	67	-	84
Total revenue from external customers	25,920	13,151	-	39,071
Segment earnings (loss) before interest expense and income taxes	3,797	557	(823)	3,531
Interest expense on long-term debt				(702)
Interest expense				(182)
Provision for income taxes				<u>(807)</u>
Net earnings for the period				<u>1,840</u>
Amortization of property, plant and equipment	575	474	52	1,101
Amortization of intangible assets	908	12	-	920
Expenditures on property, plant and equipment	\$ 58	\$ 489	\$ 261	\$ 808

Opta Minerals Inc.
 Segmented Information
 For the Three Month Period Ended June 30, 2009
 Expressed in Thousands of U.S. Dollars

	Three Month Period Ended June 30, 2009			
	Mill and Foundry Products and Services	Abrasive Products Manu- facturing and Distribution Operations	Unallocated	Total
External revenue by market				
Canada	\$ 1,660	\$ 1,516	\$ -	\$ 3,176
U.S	4,669	4,472	-	9,141
Europe	1,953	-	-	1,953
Other	23	46	-	69
Total revenue from external customers	8,305	6,034	-	14,339
Segment earnings (loss) before interest expense, income taxes and non-controlling interest	117	(23)	(82)	12
Interest expense on long-term debt				(288)
Interest expense				(105)
Recovery of income taxes				229
Non-controlling interest share of net loss	73	-	-	73
Net loss for the period				(79)
Total assets as at December 31, 2009	56,661	28,121	2,099	86,881
Amortization of property, plant and equipment	173	199	17	389
Amortization of intangible assets	455	6	-	461
Goodwill and intangible assets as at December 31, 2009	34,105	3,605	-	37,710
Expenditures on property, plant and equipment	\$ 64	\$ 572	\$ 24	\$ 660

Opta Minerals Inc.
 Segmented Information
 For the Six Month Period Ended June 30, 2009
 Expressed in Thousands of U.S. Dollars

Six Month Period Ended June 30, 2009

	Mill and Foundry Products and Services	Abrasive Products Manu- facturing and Distribution Operations	Unallocated	Total
External revenue by market				
Canada	\$ 3,852	\$ 2,316	\$ -	\$ 6,168
U.S	11,029	7,793	-	18,822
Europe	3,871	-	-	3,871
Other	148	56	-	204
Total revenue from external customers	18,900	10,165	-	29,065
Segment earnings (loss) before interest expense, income taxes and non-controlling interest	(247)	49	(133)	(331)
Interest expense on long-term debt				(555)
Interest expense				(262)
Recovery of income taxes				538
Non-controlling share of net loss	205	-	-	205
Net loss for the period	(405)			
Amortization of property, plant and equipment	509	399	32	940
Amortization of intangible assets	885	13	-	898
Expenditures on property, plant and equipment	\$ 152	\$ 1,394	\$ 34	\$ 1,580