

Opta Minerals Inc. Reports Third Quarter Record Results in 2008

WATERDOWN, ONTARIO, CANADA--(CCNMatthews – November 5, 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 and nine months ended September 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 revenues and net earnings for the third quarter ended September 30, 2008. Revenues for the quarter increased 43.7% to \$29.4 million, from \$20.5 million in 2007. Gross profits increased by 24.0% to \$6.4 million or 21.6% of revenues versus \$5.1 million or 25.1% of revenues in 2007. EBITDA increased \$800,000 or 26.6% from \$3.0 million in 2007 to \$3.8 million for the quarter ended September 30, 2008. Net earnings for the period increased 33.0% to \$1.7 million or \$0.09 per diluted common share from \$1.3 million or \$0.07 per diluted common share for the three months ended September 30, 2007.

Quarterly revenue for the mill and foundry products and services segment increased 63.7% or \$9.0 million, from 14.1 million in 2007. Excluding the results of 2007 and 2008 acquisitions, segment revenues from legacy operations increased by 40.7%. Revenues within the abrasive products manufacturing and distribution operations segment remained consistent at \$6.3 million.

YTD revenues increased 37.4% to 76.1 million, from 55.3 million in 2007. Gross profits increased by 35.8% to 18.5 million or 24.4% of revenues versus 13.6 million or 24.6% of revenues in 2007. YTD EBITDA increased \$3.1 million or 38.2% from \$8.0 million in 2007 to \$11.1 million for the nine months ended September 30, 2008. Net earnings for the nine months ended September 30, 2008 increased 51.0% to \$4.7 million or \$0.26 per diluted common share from \$3.1 million or \$0.18 per diluted common share for the nine months ended September 30, 2007.

YTD revenues within the mill and foundry products and services segment increased by \$20.6 million or 54.7% to \$58.4 million compared to \$37.8 million in 2007. The results for the companies acquired in 2007 and 2008 are included in this segment. Excluding the results of these acquisitions, segment revenues from legacy operations increased by 34.6%. Revenues within the abrasive products manufacturing and distribution operations segment increased \$100,000 to \$17.7 million in 2008 versus \$17.6 million in 2007.

Highlights from the quarter

- On July 9, 2008 Opta Minerals 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.

The Company continues to maintain a strong balance sheet, with working capital of \$18.8 million and total assets of \$110.1 million. The debt to equity ratio as at September 30, 2008 was 0.87 to 1.00. The usage of cash from operating activities was \$1.5 million for the quarter as compared to cash generated of 1.9 million in 2007. YTD cash generated from operating activities were \$350,000 compared to 2.1 million for the nine months ended September 30, 2007.

Opta Minerals’ President and CEO, David Kruse, plans to host a conference call at 11:00 AM Eastern Standard Time, on November 7, 2008 to discuss the third 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-(888) 935-4577 or (416) 849-5516, quote confirmation code 2870104. If you are unable to listen live, the conference call will be archived and can be accessed at the following replay numbers between November 7 and November 14 2008, with the toll free dial-in number 1-(888) 203-1112 or (647) 436-0148 followed by pass code: 6458570.

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, Slovakia, and 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 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 nine months ended Sept 30,		For the three months ended September 30,	
	2008	2007	2008	2007
	\$	\$	\$	\$
Net Earnings for the Period	4,702	3,113	1,673	1,258
Interest Expense	1,561	1,153	501	398
Provision for Income taxes	1,833	1,344	642	443
Depreciation and Amortization	2,986	2,406	1,002	917
EBITDA¹	<u>11,082</u>	<u>8,016</u>	<u>3,818</u>	<u>3,016</u>
Add (subtract):				
Depreciation and Amortization	(2,986)	(2,406)	(1,002)	(917)
Earnings before income taxes and interest²	<u>8,096</u>	<u>5,610</u>	<u>2,816</u>	<u>2,099</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). 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 September 30, 2008 and 2007

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

	2008	2007
	\$	\$
Revenue	29,440	20,485
Cost of goods sold	23,068	15,347
Gross profit	6,372	5,138
Selling, general and administrative expenses	2,822	2,581
Earnings before the following	3,550	2,557
Interest expense - net	501	398
Amortization of intangible assets	441	349
Stock compensation expense	91	49
Other expense	59	137
Foreign exchange loss (gain)	143	(77)
	1,235	856
Earnings before income taxes	2,315	1,701
Provision for income taxes	642	443
Net earnings for the period	1,673	1,258
Earnings per share for the period		
Basic and diluted	0.09	0.07

Opta Minerals Inc.

Consolidated Statements of Earnings

For the nine month periods ended September 30, 2008 and 2007

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

	2008	2007
	\$	\$
Revenue	76,058	55,337
Cost of goods sold	57,533	41,700
Gross profit	18,525	13,637
Selling, general and administrative expenses	8,554	7,015
Earnings before the following	9,971	6,622
Interest expense - net	1,561	1,153
Amortization of intangible assets	1,306	935
Stock compensation expense	204	118
Other expense	59	137
Foreign exchange loss (gain)	306	(178)
	3,436	2,165
Earnings before income taxes	6,535	4,457
Provision for income taxes	1,833	1,344
Net earnings for the period	4,702	3,113
 Earnings per share for the period		
Basic and diluted	0.26	0.18

Opta Minerals Inc.

Consolidated Balance Sheets

(Expressed in thousands of U.S. dollars)

	September 30, 2008	December 31, 2007	September 30, 2007
	\$	\$	\$
Assets			
Current assets			
Cash and cash equivalents	3,661	2,336	3,999
Accounts receivable	15,429	10,486	11,298
Inventories	23,994	19,219	17,973
Prepaid expenses and other current assets	1,048	1,566	2,225
Assets held for sale	768	-	-
Income taxes recoverable	-	148	-
	<u>44,900</u>	<u>33,755</u>	<u>35,495</u>
Due from affiliates	1,022	-	-
Property, plant and equipment – net	17,321	19,531	19,940
Intangible and other assets - net	33,182	32,871	33,091
Goodwill	12,024	10,606	10,425
Future Income Taxes	1,619	1,469	895
	<u>110,068</u>	<u>98,232</u>	<u>99,846</u>
Liabilities			
Current liabilities			
Bank indebtedness	11,204	5,989	6,551
Accounts payable and accrued liabilities	10,211	5,773	6,488
Income taxes payable	534	-	971
Current portion of long-term debt	4,071	7,314	6,628
Current portion of preference shares	44	47	47
	<u>26,064</u>	<u>19,123</u>	<u>20,685</u>
Long-term debt	23,132	23,204	23,706
Other long-term liabilities	1,110	1,624	1,624
Future income taxes	12,715	12,724	12,660
	<u>63,021</u>	<u>56,675</u>	<u>58,675</u>
Shareholder's Equity			
Capital stock			
Authorized: Unlimited number of common shares and preference shares without par value			
Issued			
17,966,391 (December 31, 2007 – 17,984,200, September 30, 2007 – 17,981,256) common shares	17,572	17,528	17,509
Contributed surplus	1,568	1,364	1,312
Retained earnings	23,886	19,184	18,949
Accumulated other comprehensive income	4,021	3,481	3,401
	<u>47,047</u>	<u>41,557</u>	<u>41,171</u>
	<u>110,068</u>	<u>98,232</u>	<u>99,846</u>

Opta Minerals Inc.

Consolidated Statements of Cash Flows

For the three month periods ended September 30, 2008 and 2007

(Expressed in thousands of U.S. dollars)

	2008	2007
	\$	\$
Cash provided by (used in)		
Operating activities		
Net earnings for the period	1,673	1,258
Items not affecting cash		
Amortization of property, plant and equipment	561	568
Amortization of intangible assets	441	349
Stock compensation expense	91	49
Future income taxes	27	(620)
Unrealized foreign exchange gain on long term debt	(34)	(62)
Realized foreign exchange gain on translation of foreign operations	(217)	-
Net loss on disposal of property, plant and equipment	39	-
	<u>2,581</u>	<u>1,542</u>
Changes in non-cash working capital		
Accounts receivable	(1,233)	58
Inventories	(2,169)	(614)
Prepaid expenses and other current assets	337	(862)
Accounts payable and accrued liabilities	(1,424)	743
Income taxes recoverable	449	998
	<u>(1,459)</u>	<u>1,865</u>
Investing activities		
Acquisition of property, plant and equipment	(282)	(275)
Additional consideration paid on acquisitions	-	(7)
Proceeds on disposal of property, plant and equipment	36	11
Acquisition of company, net of cash acquired	(2,417)	(6,204)
	<u>(2,663)</u>	<u>(6,475)</u>
Financing Activities		
Proceeds from issuance of common shares	14	18
Increase (decrease) in bank indebtedness	3,822	(2,157)
Proceeds from long term debt	2,023	21,584
Repayment of long term debt	(736)	(11,251)
	<u>5,123</u>	<u>8,194</u>
Foreign exchange loss on cash held in foreign currency	<u>(172)</u>	<u>-</u>
Increase in cash and cash equivalents during the period	829	3,584
Cash and cash equivalents – Beginning of period	<u>2,832</u>	<u>415</u>
Cash and cash equivalents – End of period	<u>3,661</u>	<u>3,999</u>
Supplemental cash flow information		
Interest paid	454	336
Income taxes paid	249	2

Opta Minerals Inc.

Consolidated Statements of Cash Flows

For the nine month periods ended September 30, 2008 and 2007

(Expressed in thousands of U.S. dollars)

	2008	2007
	\$	\$
Cash provided by (used in)		
Operating activities		
Net earnings for the period	4,702	3,113
Items not affecting cash		
Amortization of property, plant and equipment	1,680	1,471
Amortization of intangible assets	1,306	935
Stock compensation expense	204	118
Future income taxes	(380)	(795)
Unrealized foreign exchange loss (gain) on long term debt	110	(365)
Realized foreign exchange gain on translation of foreign operations	(292)	-
Net loss on disposal of property, plant and equipment	35	7
	<u>7,365</u>	<u>4,484</u>
Changes in non-cash working capital		
Accounts receivable	(4,118)	(1,358)
Inventories	(4,418)	(2,194)
Prepaid expenses and other current assets	913	(209)
Accounts payable and accrued liabilities	(89)	170
Income taxes recoverable	696	1,194
	<u>349</u>	<u>2,087</u>
Investing activities		
Acquisition of property, plant and equipment	(597)	(1,675)
Additional consideration paid on acquisitions	54	29
Proceeds on disposal of property, plant and equipment	(11)	(31)
Acquisition of company, net of cash acquired	(2,417)	(6,204)
	<u>(2,971)</u>	<u>(7,881)</u>
Financing Activities		
Proceeds from issuance of common shares	44	64
Increase (decrease) in bank indebtedness	5,859	(1,215)
Proceeds from long term debt	5,098	23,081
Repayment of long term debt	(7,037)	(12,991)
	<u>3,964</u>	<u>8,939</u>
Foreign exchange loss on cash held in foreign currency	<u>(17)</u>	<u>-</u>
Increase in cash and cash equivalents during the period	1,325	3,145
Cash and cash equivalents – Beginning of period	<u>2,336</u>	<u>854</u>
Cash and cash equivalents – End of period	<u>3,661</u>	<u>3,999</u>
Supplemental cash flow information		
Interest paid	1,666	1,290
Income taxes paid	1,617	977

Opta Minerals Inc.

Segmented Information

For the three months ended September 30, 2008

(Expressed in thousands of U.S. dollars)

For the three month period ended September 30, 2008

	Mill and foundry products and services \$	Abrasive manufacturing and distribution operations \$	Unallocated \$	Total \$
External revenue by market				
Canada	3,179	1,293	-	4,472
U.S.	14,582	4,963	-	19,545
Europe	5,353	5	-	5,358
Other	49	16	-	65
Total revenue from external customers	<u>23,163</u>	<u>6,277</u>	-	<u>29,440</u>
Segment net earnings before interest expense and income taxes	2,225	1,389	(798)	2,816
Interest expense on long term debt				366
Interest expense				135
Provision for income taxes				<u>642</u>
Net earnings				<u>1,673</u>
Total assets as at September 30, 2008	<u>78,917</u>	<u>30,162</u>	989	<u>110,068</u>
Amortization of property plant and equipment	<u>270</u>	<u>257</u>	34	<u>561</u>
Amortization of intangible assets	<u>429</u>	12	-	<u>441</u>
Goodwill and intangible assets as at September 30, 2008	<u>38,098</u>	<u>7,108</u>	-	<u>45,206</u>
Expenditures on property, plant and equipment	<u>92</u>	<u>185</u>	5	<u>282</u>

External revenue by market is attributed to countries based on location of the customer

Opta Minerals Inc.

Segmented Information

For the nine months ended September 30, 2008

(Expressed in thousands of U.S. dollars)

For the nine month period ended September 30, 2008

	Mill and Foundry Products and Services	Abrasive Manufacturing and distribution operations	Unallocated	Total
	\$	\$	\$	\$
External revenue by market				
Canada	10,606	4,170	-	14,776
U.S.	37,688	13,461	-	51,149
Europe	10,015	5	-	10,020
Other	79	34	-	113
	<hr/>	<hr/>		
Total revenue from external customers	58,388	17,670	-	76,058
	<hr/>	<hr/>		
Segment net earnings before interest expense and income taxes	7,904	2,777	(2,585)	8,096
Interest expense on long term debt				1,135
Interest expense				426
Provision for income taxes				<u>1,833</u>
Net earnings				<hr/> <u>4,702</u>
	<hr/>	<hr/>		
Amortization of property plant and equipment	814	764	102	1,680
	<hr/>	<hr/>		
Amortization of intangible assets	1,269	37	-	1,306
	<hr/>	<hr/>		
Expenditures on property, plant and equipment	103	433	61	597
	<hr/>	<hr/>		

External revenue by market is attributed to countries based on location of the customer

Opta Minerals Inc.

Segmented Information

For the three months ended September 30, 2007

(Expressed in thousands of U.S. dollars)

For the three month period ended September 30, 2007

	Mill and foundry products and services \$	Abrasive manufacturing and distribution operations \$	Unallocated \$	Total \$
External revenue by market				
Canada	3,164	1,963	-	5,127
U.S.	9,637	4,363	-	14,000
Europe	1,326	-	-	1,326
Other	22	10	-	32
Total revenue from external customers	<u>14,149</u>	<u>6,336</u>	<u>-</u>	<u>20,485</u>
Segment net earnings before interest expense and income taxes	1,786	917	(604)	2,099
Interest expense on long term debt				280
Interest expense				118
Provision for income taxes				<u>443</u>
Net earnings				<u>1,258</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>269</u>	<u>292</u>	<u>7</u>	<u>568</u>
Amortization of intangible assets	<u>337</u>	<u>12</u>	<u>-</u>	<u>349</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>131</u>	<u>143</u>	<u>1</u>	<u>275</u>

External revenue by market is attributed to countries based on location of the customer

Opta Minerals Inc.

Segmented Information

For the nine months ended September 30, 2007

(Expressed in thousands of U.S. dollars)

For the nine month period ended September 30, 2007

	Mill and Foundry Products and Services	Abrasive Manufacturing and distribution operations	Unallocated	Total
	\$	\$	\$	\$
External revenue by market				
Canada	8,569	4,734	-	13,303
U.S.	27,522	12,812	-	40,334
Europe	1,472	-	-	1,472
Other	190	38	-	228
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue from external customers	37,753	17,584	-	55,337
	<hr/>	<hr/>	<hr/>	<hr/>
Segment net earnings before interest expense and income taxes	4,227	2,934	(1,551)	5,610
Interest expense on long term debt				817
Interest expense				336
Provision for income taxes				<hr/> 1,344
Net earnings				<hr/> 3,113
	<hr/>	<hr/>	<hr/>	<hr/>
Amortization of property plant and equipment	640	815	16	1,471
	<hr/>	<hr/>	<hr/>	<hr/>
Amortization of intangible assets	899	36	-	935
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures on property, plant and equipment	539	1,112	24	1,675
	<hr/>	<hr/>	<hr/>	<hr/>

External revenue by market is attributed to countries based on location of the customer