

Opta Minerals Inc. Reports Third Quarter Results for Fiscal 2010

WATERDOWN, ONTARIO - (Marketwire – November 10, 2010) - Opta Minerals Inc. (TSX:OPM) today announced results for the three and nine months ended September 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 September 30, 2010, the net earnings were \$1.7 million, or \$0.10 per diluted common share, versus a net loss of \$6.4 million, or \$0.36 per diluted common share, for the third quarter in 2009. Year to date, the net earnings for the nine months ended September 30, 2010 were \$3.5 million, or \$0.20 per diluted common share, versus a net loss of \$6.8 million, or \$0.38 per diluted common share, during 2009. The prior period included a non-cash goodwill impairment charge in the amount of \$7.2 million. Excluding the impact of this charge, earnings before goodwill impairment and non-controlling interest increased \$1.0 million for the three months ended September 30, 2010, and \$3.4 million for the nine months ended September 30, 2010, compared with the same periods in the prior year. Operating activities continue to be profitable owing to a strengthening of the global economy, an increase in steel production and the benefits of our cost-saving measures put in place during fiscal 2009.

Revenue for the three months ended September 30, 2010 increased 22% to \$20.4 million from \$16.7 million in 2009. Gross profit for the quarter increased to \$5.2 million, or 25.4% of revenue, versus \$4.2 million, or 25.0% of revenue in 2009. Revenue for the nine months ended September 30, 2010 increased 29.9% to \$59.5 million from \$45.8 million in 2009. Gross profit for the nine months ended September 30, 2010 increased to \$15.2 million, or 25.5% of revenue, versus \$9.6 million, or 20.9% of revenue, in 2009. The improvement in gross profit as a percentage of revenue over the previous period is a result of increased production, strengthening revenue and cost-saving measures.

David Kruse, President and CEO of Opta Minerals, noted, “During the third quarter, Opta Minerals continued to see a steady but modest increase in demand in our related industries. We have continued to increase production and monitor our cost structure. We are pleased, although cautious of the continued direction of the economic environment.”

For the three months ended September 30, 2010, cash flow from operating activities before changes in working capital generated \$2.9 million, versus \$1.1 million in the third quarter of 2009. The strong cash flow was used to finance working capital and payments on short and long-term debt in the amount of \$2.5 million. Year to date, cash flows from operating activities before changes in working capital generated \$5.8 million, versus \$1.4 million in 2009. The cash flow was used to finance working capital, repay short and long-term debt in the amount of \$2.9 million and invest in property, plant and equipment in the amount of \$1.2 million.

Selling, general and administrative expenses declined from 14.0% of revenue for the third quarter of 2009 to 13.8% of revenue in the third quarter of 2010. Year to date, selling, general and administrative expenses declined from 15.4% of revenue for 2009 to 13.3% of revenue in 2010. Most of the decrease was a result of the cost-reduction initiatives put in place by management during the past few years, offset by the strengthening Canadian dollar against the U.S. dollar, which affected the reported value of corporate costs, which are largely denominated in Canadian dollars.

EBITDA for the quarter increased from \$2.5 million in 2009 to \$4.0 million for the three months ended September 30, 2010. The year-over-year increase in EBITDA for the nine month ended September 30 was \$5.4 million, or 129%, to \$9.6 million in 2010. Opta Minerals remains focused on working capital management while maintaining production requirements to meet customer demands.

The Company’s working capital at September 30, 2010 amounted to \$13.2 million and total assets were \$91.2 million, compared with \$11.5 million and \$88.5 million, respectively, for the same period in 2009. The debt-to-equity ratio at September 30, 2010 was 0.60 to 1.00, versus 0.76 to 1.00 at September 30, 2009.

Opta Minerals President and CEO, David Kruse, plans to host a conference call at 10:00AM Eastern Standard Time on Friday, November 12, 2010 to discuss third 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 3714355. If you are unable to listen live, the conference call will be archived and can be accessed between November 12, 2010 and November 19, 2010, with the toll free dial-in number 1-(888) 203-1112 or 1-(647) 436-0148 followed by pass code 3714355.

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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NOTES:

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 September 30		For the Nine Months Ended September 30	
	2010	2009	2010	2009
(thousands of U.S. dollars)	\$	\$	\$	\$
Net Earnings (Loss) for the Period	1,677	(6,416)	3,517	(6,821)
Interest expense	606	431	1,490	1,248
Provision for (recovery of) income taxes	682	290	1,489	(248)
Depreciation and amortization	1,044	964	3,065	2,802
Goodwill impairment	-	7,198	-	7,198
EBITDA¹	4,009	2,467	9,561	4,179
Add (subtract):				
Depreciation and amortization	(1,044)	(964)	(3,065)	(2,802)
Goodwill impairment	-	(7,198)	-	(7,198)
Earnings (loss) before income taxes and interest²	2,965	(5,695)	6,496	(5,821)

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 that of 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)

For the Three Month Periods Ended September 30, 2010 and 2009

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

	2010	2009
Revenue	\$ 20,421	\$ 16,745
Cost of Goods Sold	15,230	12,564
Gross Profit	5,191	4,181
Selling, General and Administrative Expenses	2,812	2,347
Earnings Before Underrated Items, Income Taxes, Goodwill Impairment and Non-controlling Interest	2,379	1,834
Interest expense on long-term debt	498	299
Interest expense	108	132
Amortization of intangible assets	455	469
Stock compensation expense	95	72
Other (income) expense	-	21
Foreign exchange gain	(1,136)	(166)
	20	827
Earnings Before Income Taxes, Goodwill Impairment and Non-controlling Interest	2,359	1,007
Provision for (recovery of) income taxes	682	290
Net Earnings Before Goodwill Impairment and Non-Controlling Interest	1,677	717
Goodwill impairment	-	7,198
Net Earnings (Loss) Before Non-controlling Interest	1,677	(6,481)
Non-controlling interest share of net loss	-	(65)
Net Earnings (Loss) Attributable to Opta Minerals Inc.	\$ 1,677	\$ (6,416)
Earnings per share for the period		
- Basic and diluted	\$ 0.10	\$ (0.36)

Opta Minerals Inc.

Consolidated Statements of Earnings (Loss)

For the Nine Month Periods Ended September 30, 2010 and 2009

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

	2010	2009
Revenue	\$ 59,492	\$ 45,810
Cost of Goods Sold	44,320	36,213
Gross Profit	15,172	9,597
Selling, General and Administrative Expenses	7,907	7,039
Earnings Before Undernoted Items, Income Taxes, Goodwill Impairment and Non-controlling Interest	7,265	2,558
Interest expense on long-term debt	1,200	854
Interest expense	290	394
Amortization of intangible assets	1,375	1,367
Stock compensation expense	218	210
Other (income) expense	-	305
Foreign exchange gain	(824)	(431)
	2,259	2,699
Earnings (Loss) Before Income Taxes, Goodwill Impairment and Non-controlling Interest	5,006	(141)
Provision for (recovery of) income taxes	1,489	(248)
Net Earnings Before Goodwill Impairment and Non-controlling Interest	3,517	107
Goodwill impairment	-	7,198
Net Earnings (Loss) Before Non-controlling Interest	3,517	(7,091)
Net loss attributable to non-controlling interest	-	(270)
Net Earnings (Loss) Attributable to Opta Minerals Inc.	\$ 3,517	\$ (6,821)
Earnings (loss) per share for the period		
- Basic and diluted	\$ 0.20	\$ (0.38)

Opta Minerals Inc.
Consolidated Balance Sheets

Expressed in Thousands of U.S. Dollars

	September 30, 2010	December 31, 2009 (audited)	September 30, 2009
Assets			
Current			
Cash and cash equivalents	\$ 909	\$ 781	\$ 1,161
Accounts receivable	12,527	9,422	9,462
Inventories	20,118	17,181	17,239
Prepaid expenses and other current assets	847	628	1,310
Income taxes recoverable	-	584	210
	34,401	28,596	29,382
Property, Plant and Equipment	17,378	17,796	17,717
Intangible and Other Assets	29,602	31,691	32,382
Goodwill	6,496	6,019	6,019
Future Income Taxes	3,292	2,779	3,034
	\$ 91,169	\$ 86,881	\$ 88,534
Liabilities			
Current			
Bank indebtedness	\$ 2,980	\$ 3,355	\$ 5,517
Accounts payable and accrued liabilities	12,733	8,544	7,869
Income taxes payable	929	-	-
Current portion of long-term debt	4,544	4,495	4,452
Current portion of preference shares	45	44	43
	21,231	16,438	17,881
Long-term Debt	16,735	18,912	19,101
Other Long-term Liabilities	1,095	1,387	1,503
Future Income Taxes	3,011	2,674	2,697
Future Income Taxes on Intangible Assets	8,701	9,213	9,406
	50,773	48,624	50,588
Shareholders' Equity			
Capital Stock			
Authorized unlimited number of common shares and preference shares without par value			
Issued -			
18,033,519 (December 31, 2009 - 18,023,193; September 30, 2009 - 18,018,770) common shares	17,626	17,612	17,606
Contributed Surplus	2,168	1,950	1,875
Accumulated Other Comprehensive Income	1,892	3,502	3,894
Retained Earnings	18,710	15,193	14,841
	40,396	38,257	38,216
Non-controlling Interest	-	-	(270)
	\$ 91,169	\$ 86,881	\$ 88,534

Opta Minerals Inc.
Consolidated Statements of Cash Flows
For the Three Month Periods Ended September 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	\$ 1,677	\$ (6,481)
Items not affecting cash:		
Amortization of property, plant and equipment	589	495
Amortization of intangible assets	455	469
Goodwill impairment	-	7,198
Other (income) expenses	-	(41)
Stock compensation expense	95	72
Future income taxes expense (recovery)	224	(516)
Realized foreign exchange gain on foreign operations	(172)	(157)
Net loss on disposal of property, plant and equipment	-	80
	2,868	1,119
Changes in non-cash working capital:		
Accounts receivable	(632)	(504)
Inventories	(2,552)	1,300
Prepaid expenses and other current assets	(69)	599
Accounts payable and accrued liabilities	2,589	235
Income taxes recoverable / payable	398	551
	2,602	3,300
Financing Activities		
Proceeds from issuance of common shares - net of issuance costs	4	5
Decrease in bank indebtedness	(1,580)	(2,835)
Proceeds from long-term debt	-	31
Repayment of long-term debt	(872)	(1,450)
	(2,448)	(4,249)
Investing Activity		
Acquisition of property, plant and equipment	(350)	(417)
Proceeds on disposal of property, plant and equipment	-	651
	(350)	234
Foreign Exchange (Loss) Gain on Cash Held in Foreign Currency	(6)	4
Decrease in Cash and Cash Equivalents	(202)	(711)
Cash and Cash Equivalents		
Beginning of Period	1,111	1,872
End of Period	\$ 909	\$ 1,161
Additional Cash Flows Information:		
Interest paid	\$ 591	\$ 416
Income taxes paid	-	235

Opta Minerals Inc.
Consolidated Statements of Cash Flows
For the Nine Month Periods Ended September 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	\$ 3,517	\$ (7,091)
Items not affecting cash:		
Amortization of property, plant and equipment	1,690	1,435
Amortization of intangible assets	1,375	1,367
Goodwill impairment	-	7,198
Other (income) expenses	-	(96)
Stock compensation expense	218	210
Future income taxes recovery	(761)	(1,131)
Realized foreign exchange gain on foreign operations	(275)	(618)
Net loss on disposal of property, plant and equipment	-	80
	5,764	1,354
Changes in non-cash working capital:		
Accounts receivable	(3,297)	39
Inventories	(3,060)	5,907
Prepaid expenses and other current assets	(219)	540
Accounts payable and accrued liabilities	3,566	(437)
Income taxes recoverable / payable	1,492	183
	4,246	7,586
Financing Activities		
Proceeds from issuance of common shares - net of issuance costs	14	19
Decrease in bank indebtedness	(443)	(3,141)
Proceeds from long-term debt	-	795
Repayment of long-term debt	(2,488)	(4,139)
	(2,917)	(6,466)
Investing Activity		
Acquisition of property, plant and equipment	(1,158)	(1,997)
Proceeds on disposal of property, plant and equipment	-	651
	(1,158)	(1,346)
Foreign Exchange (Loss) Gain on Cash Held in Foreign Currency	(43)	10
Increase (Decrease) in Cash and Cash Equivalents	128	(216)
Cash and Cash Equivalents		
Beginning of Period	781	1,377
End of Period	\$ 909	\$ 1,161
Additional Cash Flows Information:		
Interest paid	\$ 1,531	\$ 1,352
Income taxes paid	609	662

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

	Three Month Period Ended September 30, 2010			
	Mill and Foundry Products and Services	Abrasive Products Manu- facturing and Distribution Operations	Unallocated	Total
External revenue by market				
Canada	\$ 2,763	\$ 1,595	\$ -	\$ 4,358
U.S	7,758	5,652	-	13,410
Europe	2,559	-	-	2,559
Other	19	75	-	94
Total revenue from external customers	\$ 13,099	\$ 7,322	-	\$ 20,421
Segment earnings (loss) before interest expense and income taxes	2,084	370	511	2,965
Interest expense on long-term debt				(498)
Interest expense				(108)
Provision for income taxes				(682)
Net earnings for the period				1,677
Total assets as at September 30, 2010	55,533	34,164	1,472	91,169
Amortization of property, plant and equipment	273	279	37	589
Amortization of intangible assets	449	6	-	455
Goodwill and intangible assets as at September 30, 2010	32,510	3,588	-	36,098
Expenditures on property, plant and equipment	\$ 141	\$ 165	\$ 44	\$ 350

Opta Minerals Inc.
Segmented Information
For the Nine Months Ended September 30, 2010
Expressed in Thousands of U.S. Dollars

	Nine Month Period Ended September 30, 2010			
	Mill and Foundry Products and Services	Abrasive Products Manu- facturing and Distribution Operations	Unallocated	Total
External revenue by market				
Canada	\$ 7,320	\$ 4,560	\$ -	\$ 11,880
U.S	23,450	15,760	-	39,210
Europe	8,213	11	-	8,224
Other	36	142	-	178
Total revenue from external customers	39,019	20,473	-	59,492
Segment earnings (loss) before interest expense and income taxes	5,881	927	(312)	6,496
Interest expense on long-term debt				(1,200)
Interest expense				(290)
Provision for income taxes			(1,489)	
Net earnings for the period				<u>3,517</u>
Amortization of property, plant and equipment	848	753	89	1,690
Amortization of intangible assets	1,357	18	-	1,375
Expenditures on property, plant and equipment	\$ 199	\$ 654	\$ 305	\$ 1,158

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

	Three Month Period Ended September 30, 2009			
	Mill and Foundry Products and Services	Abrasive Products Manu- facturing and Distribution Operations	Unallocated	Total
External revenue by market				
Canada	\$ 2,021	\$ 1,776	\$ -	\$ 3,797
U.S	6,432	3,886	-	10,318
Europe	2,535	-	-	2,535
Other	-	95	-	95
Total revenue from external customers	10,988	5,757	-	16,745
Segment earnings loss before interest expense, income taxes and non-controlling interest	(2,700)	(2,982)	(78)	(5,760)
Interest expense on long-term debt				(299)
Interest expense				(132)
Provision for recovery of income taxes				(290)
Non-controlling interest share of net loss	65	-	-	65
Net loss for the period				(6,416)
Total assets as at September 30, 2009	62,148	25,289	1,097	88,534
Amortization of property, plant and equipment	266	210	19	495
Amortization of intangible assets	464	5	-	469
Goodwill and intangible assets as at September 30, 2009	34,792	3,609	-	38,401
Goodwill impairment	4,101	3,097	-	7,198
Expenditures on property, plant and equipment	\$ 28	\$ 357	\$ 32	\$ 417

Opta Minerals Inc.
Segmented Information
For the Nine Months Ended September 30, 2009
Expressed in Thousands of U.S. Dollars

	Nine Month Period Ended September 30, 2009			
	Mill and Foundry Products and Services	Abrasive Products Manu- facturing and Distribution Operations	Unallocated	Total
External revenue by market				
Canada	\$ 5,873	\$ 4,092	\$ -	\$ 9,965
U.S	17,461	11,679	-	29,140
Europe	6,406	-	-	6,406
Other	148	151	-	299
Total revenue from external customers	29,888	15,922	-	45,810
Segment loss before interest expense, income taxes and non-controlling interest	(2,947)	(2,933)	(211)	(6,091)
Interest expense on long-term debt				(854)
Interest expense				(394)
Recovery of income taxes				248
Non-controlling interest share of net loss	270	-	-	270
Net loss for the period				(6,821)
Amortization of property, plant and equipment	775	609	51	1,435
Amortization of intangible assets	1,349	18	-	1,367
Goodwill impairment	4,101	3,097	-	7,198
Expenditures on property, plant and equipment	\$ 180	\$ 1,751	\$ 66	\$ 1,997

