

Opta Minerals Inc. Reports Year End Results for Fiscal 2007

WATERDOWN, ONTARIO--(CCNMatthews – February 25, 2008) - Opta Minerals Inc. (TSX:OPM), a vertically integrated producer, manufacturer, distributor and recycler of industrial minerals, silica-free loose abrasives, roofing shingle granules, specialty sands and related products, today announced results for the three and twelve months ended December 31, 2007. 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 for the year ended December 31, 2007. Revenues in 2007 increased 17.2% to \$75.4 million, from \$64.3 million in 2006. Gross profit for the year increased by 11.7% to \$17.8 million or 23.6% of revenues versus \$16.0 million or 24.8% of revenues in 2006. EBITDA for the year increased 2% from \$9.7 million in 2006 to \$9.9 million for the year ended December 31, 2007. Net earnings for the year decreased 5.5% to \$3.3 million or \$0.19 per diluted common share from \$3.5 million or \$0.21 per diluted common share for the twelve months ended December 31, 2006. Results for the year ended December 31, 2007 include approximately \$0.2 million of financing costs related to its new credit facilities with the Bank of Nova Scotia and the implementation of an interest rate swap. Results have been positively affected by the inclusion of a full twelve months of results from the Bimac and Rosborough divisions that were acquired in 2006, the acquisition of Newco a.s. (“Newco”), the commencement of commercial production of desulfurization products at the Company’s Waterdown Ontario facility, and shipments of products to new U.S. based integrated steel mill customers. Results generated from these activities were partially offset by lower sales volumes into the Canadian abrasive and foundry industries, the higher Canadian dollar, and lower sales volumes of desulfurization products to several of the Company’s significant U.S. customers.

Revenues for the three months ended December 31, 2007 were \$20.0 million, a 24.6% increase from fourth quarter 2006 revenues of \$16.1 million. Excluding the 2007 acquisitions of Newco and the abrasive facility in Laval Quebec, revenues increased by 12.7%. Strong sales of abrasive products in Canada and the U.S. for the quarter combined with sales of magnesium based desulfurization products contributed to this result. Gross profit for the three months ended December 31, 2007 was \$4.2 million or 1.5% higher than gross profit of \$4.1 million for the three months ended December 31, 2006. Excluding the 2007 acquisitions of Newco and the abrasive facility in Laval Quebec, gross profits decreased by 17.8%. Gross profit from the Company’s abrasive operations declined as Canadian results were impacted by the higher Canadian dollar, and U.S. margins decreased as a result of higher raw material and processing costs as compared to 2006. Gross profits within mill and foundry operations declined as volumes for higher margin steel products and services decreased.

Earnings before income taxes and interest (“EBIT”) for the three months ended December 31, 2007 were \$0.8 million, as compared to \$1.5 million for the three months ended December 31, 2006. Along with an increase in selling, general and administrative costs relating to the higher Canadian dollar, the current quarter’s results was also negatively impacted by approximately \$0.3 million due to other refinancing costs incurred to establish credit facilities with the Bank of Nova Scotia and the implementation of an interest rate swap.

Net earnings for the three months ended December 31, 2007 were \$0.2 million or \$0.01 per diluted common share, versus \$0.7 million or \$0.04 per diluted common share for the three months ended December 31, 2006.

The Company continues to maintain a strong balance sheet, with working capital of \$14.6 million and total assets of \$98.2 million. The debt to equity ratio as at December 31, 2007 was 0.88 to 1.00. The Company has cash and available credit facilities of a further \$14.4 million. It is intended that these resources will be used to generate further shareholder value through strategic acquisitions and investment in the Company's existing operations.

2007 Highlights:

During the year ended December 31, 2007, the Company had the following performance highlights and significant events:

- Net Earnings of \$3.3 million a decrease of 5.5% over 2006 results. Earnings before interest, income taxes, depreciation and amortization¹ (“EBITDA”) increased 2% from \$9.7 million in 2006 to \$9.9 million in 2007.
- Acquisition of Newco of Kosice, Slovakia. For fiscal 2006 Newco recorded revenues of approximately U.S. \$6.8 million selling its proprietary desulphurization and refractory products. Each product is produced to the specific requirements of the customers that Newco services within the European steel industry. The acquisition expands Opta's business capabilities into Europe and complements existing operations which supply a wide range of desulphurization products in both the United States and Canada from operations in Indiana and Ontario.
- Acquisition of the production assets of an industrial minerals processing facility in Laval, Quebec. Located in a 39,000 square foot facility under lease, these assets are ideally suited to produce abrasive media for blasting purposes, as well as garnet for abrasive, waterjet and water filtration applications.
- The commencement of commercial production of desulphurization products at the Company's Waterdown facility.
- Opta Minerals refinanced its credit facilities with the Bank of Nova Scotia, adding approximately \$18 million U.S. in available financing. The new credit facilities agreement includes an operating line of credit in the amount of Cdn \$12.5 million; a term loan facility in the amount of Cdn \$12.5 million and an acquisition facility in the amount of Cdn \$20.0 million. The operating line of credit and term loan facilities have been partially utilized to retire the existing bank debt and for general corporate purposes, while the acquisition facility was drawn upon to complete the acquisition of Newco. These increased facilities will provide Opta Minerals with the resources necessary to continue its strong growth through acquisitions, the building of new facilities in strategic locations and investments in growing markets.
- The Company continued the development and introduction of new products into the marketplace. Bringing new products to market continues to be a very important component of the Company's growth strategy. In 2007 Opta introduced a high quality nickel slag from Greece into the North American market. This is an important new product offering to Opta's customers given the high demand and scarce supply for slag based abrasives in North America. Initial uses of the product by customers has proven that this is an excellent loose abrasive and roofing granule media, and we have successfully been selling the product at our operations in Norfolk, Baltimore, and Hardeeville, with plans to expand to Opta's other locations in the near future.

Opta Mineral's President and CEO, David Kruse, plans to host a conference call at 10:00 AM Eastern Standard Time, on Thursday, February 28th, 2008, to discuss fourth quarter 2007 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) 322-8032 or (416) 640-3406, quote confirmation code 7847543. If you are unable to listen live, the conference call will be archived and can be accessed at the following replay numbers between February 28th and March 6th, 2008, with the toll free dial-in number 1-(888) 203-1112 or (647) 436-0148 followed by pass code: 7847543.

Opta Minerals is a vertically integrated producer, manufacturer, distributor and recycler of industrial minerals, silica-free loose abrasives, roofing shingle granules, specialty sands and related products for use primarily in the foundry, steel, marine/bridge cleaning and municipal water filtration industries. The Company currently has production and distribution facilities in Ontario, Quebec, Louisiana, South Carolina, Virginia, Maryland, Indiana, Ohio, Michigan, New York and Kosice Slovakia and one of the broadest product lines in the industry.

For further information, please contact:

Opta Minerals Inc.

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¹ EBITDA is a non GAAP measure used by management to measure performance. Please see section 9 of this report for a discussion on the calculation of EBITDA.

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.

	For the twelve Months Ended December 31	
	2007	2006
	\$	\$
Net Earnings for the Period	3,348	3,541
Interest Expense	1,648	1,520
Provision for Income taxes	1,462	1,980
Depreciation and Amortization	3,441	2,666
EBITDA¹	<u>9,899</u>	<u>9,707</u>
Add (subtract):		
Depreciation and Amortization	(3,441)	(2,666)
Earnings before income taxes and interest²	<u>6,458</u>	<u>7,041</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 December 31, 2007 and 2006

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

	2007	2006
	\$	\$
Revenue	20,028	16,072
Cost of goods sold	15,843	11,948
Gross profit	4,185	4,124
Selling, general and administrative expenses	2,620	2,302
Earnings before the following	1,565	1,822
Interest expense - net	495	424
Amortization of intangible assets	446	303
Stock compensation expense	52	35
Other financing costs	280	-
Foreign exchange gain	(61)	(34)
Earnings before income taxes	1212	728
Provision for income taxes	118	430
Net earnings for the period	235	664
Earnings per share for the period		
Basic and diluted	0.01	0.04

Opta Minerals Inc.

Consolidated Statements of Earnings

For the twelve month periods ended December 31, 2007 and 2006

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

	2007	2006
	\$	\$
Revenue	75,365	64,313
Cost of goods sold	57,543	48,354
Gross profit	17,822	15,959
Selling, general and administrative expenses	9,635	8,051
Earnings before the following	8,187	7,908
Interest expense - net	1,648	1,520
Amortization of intangible assets	1,381	925
Stock compensation expense	170	170
Other financing costs	417	-
Foreign exchange gain	(239)	(228)
Earnings before income taxes	3,377	2,387
Provision for income taxes	1,462	1,980
Net earnings for the period	3,348	3,541
Earnings per share for the period		
Basic and diluted	0.19	0.21

Opta Minerals Inc.

Consolidated Balance Sheets

(Expressed in thousands of U.S. dollars)

	December 31, 2007	December 31, 2006
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	2,336	854
Accounts receivable	10,486	8,111
Inventories	19,219	14,057
Prepaid expenses and other current assets	1,566	1,492
Income taxes recoverable	148	248
	<hr/>	<hr/>
	33,755	24,762
Property, plant and equipment – net	19,531	17,615
Intangible and other assets - net	32,871	20,644
Goodwill	10,606	10,169
Future Income Taxes	1,469	803
	<hr/>	<hr/>
	98,232	73,993
Liabilities		
Current liabilities		
Bank indebtedness	5,989	6,752
Accounts payable and accrued liabilities	5,773	4,891
Current portion of long-term debt	7,314	2,496
Current portion of preference shares	47	39
	<hr/>	<hr/>
	19,123	14,178
Long-term debt	23,204	12,749
Other long-term liabilities	1,624	2,150
Future income taxes	12,724	10,768
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	56,675	39,845
Shareholder's Equity		
Capital stock		
Authorized: Unlimited number of common shares and preference shares without par value		
Issued		
17,984,200 (December 31, 2006 – 16,964,539) common shares	17,528	14,082
Contributed surplus	1,364	1,213
Retained earnings	19,184	15,960
Accumulated other comprehensive income	3,481	2,893
	<hr/>	<hr/>
	41,557	34,148
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	98,232	73,993

Opta Minerals Inc.

Consolidated Statements of Cash Flows

For the three month periods ended December 31, 2007 and 2006

(Expressed in thousands of U.S. dollars)

	2007	2006
	\$	\$
Cash provided by (used in)		
Operating activities		
Net earnings for the period	235	664
Items not affecting cash		
Amortization of property, plant and equipment	589	487
Amortization of intangible assets	446	303
Amortization of deferred financing costs	-	18
Other financing costs	254	-
Stock compensation expense	52	35
Future income taxes	(277)	(77)
Unrealized foreign exchange (gain) loss on long term debt	356	140
Net loss on disposal of property, plant and equipment	-	-
	<u>1,655</u>	<u>1,570</u>
Changes in non-cash working capital		
Accounts receivable	759	1,522
Inventories	(1,153)	(1,162)
Prepaid expenses and other current assets	245	(37)
Accounts payable and accrued liabilities	(661)	(1,487)
Income taxes recoverable	(1,094)	(604)
	<u>(249)</u>	<u>(198)</u>
Investing activities		
Acquisition of property, plant and equipment	(159)	(381)
Proceeds on disposal of property, plant and equipment	(9)	-
Additional consideration paid on acquisitions	(524)	-
Acquisition of other assets	-	(42)
Acquisition of company	(110)	(3,790)
	<u>(802)</u>	<u>(4,213)</u>
Financing Activities		
Proceeds from issuance of common shares	19	10
(Decrease) increase in bank indebtedness	(638)	2,242
Proceeds from long term debt	85	1,000
Repayment of long term debt	(85)	(653)
Repayment of due from affiliates	-	(19)
	<u>(619)</u>	<u>2,580</u>
Foreign exchange loss on cash held in foreign currency	<u>7</u>	<u>-</u>
Increase in cash and cash equivalents during the period	(1,663)	(1,831)
Cash and cash equivalents – Beginning of period	<u>3,999</u>	<u>2,685</u>
Cash and cash equivalents – End of period	<u>2,336</u>	<u>854</u>
Supplemental cash flow information		
Interest paid	472	369
Income taxes paid	1,489	1,352

Opta Minerals Inc.

Consolidated Statements of Cash Flows

For the twelve month periods ended December 31, 2007 and 2006

(Expressed in thousands of U.S. dollars)

	2007	2006
	\$	\$
Cash provided by (used in)		
Operating activities		
Net earnings for the period	3,348	3,541
Items not affecting cash		
Amortization of property, plant and equipment	2,060	1,741
Amortization of intangible assets	1,381	925
Amortization of deferred financing costs	-	86
Other financing costs	254	-
Stock compensation expense	170	170
Future income taxes	(1,072)	174
Unrealized foreign exchange (gain) loss on long term debt	(9)	52
Net loss on disposal of property, plant and equipment	7	-
	<u>6,139</u>	<u>6,689</u>
Changes in non-cash working capital		
Accounts receivable	(599)	540
Inventories	(3,347)	1,132
Prepaid expenses and other current assets	36	64
Accounts payable and accrued liabilities	(491)	(352)
Income taxes payable	100	(1,029)
	<u>1,838</u>	<u>7,044</u>
Investing activities		
Acquisition of property, plant and equipment	(1,834)	(1,404)
Proceeds on disposal of property, plant and equipment	20	-
Additional consideration paid on acquisitions	(555)	(52)
Acquisition of other assets	-	(42)
Acquisition of company	(6,314)	(16,777)
	<u>(8,683)</u>	<u>(18,275)</u>
Financing Activities		
Deferred financing costs	-	(66)
Proceeds from issuance of common shares	83	35
(Decrease) increase in bank indebtedness	(1,853)	6,528
Proceeds from long term debt	23,166	3,542
Repayment of long term debt	(13,076)	(1,425)
Repayment of due from affiliates	-	(9)
Purchase and redemption of preference shares	-	(26)
	<u>8,320</u>	<u>8,579</u>
Foreign exchange loss on cash held in foreign currency	<u>7</u>	<u>-</u>
Increase (decrease) in cash and cash equivalents during period	1,482	(2,652)
Cash and cash equivalents – Beginning of period	<u>854</u>	<u>3,506</u>
Cash and cash equivalents – End of period	<u>2,336</u>	<u>854</u>
Supplemental cash flow information		
Interest paid	1,762	1,185
Income taxes paid	2,466	3,041

Opta Minerals Inc.

Segmented Information

For the three months ended December 31, 2007

(Expressed in thousands of U.S. dollars)

For the three month periods ended December 31, 2007

	Mill and foundry products and services \$	Abrasive manufacturing and distribution operations \$	Unallocated \$	Total \$
External revenue by market				
Canada	3,026	1,954	-	4,980
U.S.	9,249	4,055	-	13,304
Europe	1,653	-	-	1,653
Other	85	6	-	91
Total revenue from external customers	<u>14,013</u>	<u>6,015</u>	<u>-</u>	<u>20,028</u>
Segment net earnings before interest expense and income taxes	1,201	205	(558)	848
Interest expense on long term debt				396
Interest expense				99
Provision for income taxes				<u>118</u>
Net earnings				<u>235</u>
Amortization of property plant and equipment	<u>274</u>	<u>291</u>	<u>24</u>	<u>589</u>
Amortization of intangible assets	<u>435</u>	<u>11</u>	<u>-</u>	<u>446</u>
Expenditures on property, plant and equipment	<u>40</u>	<u>129</u>	<u>(10)</u>	<u>159</u>

Opta Minerals Inc.

Segmented Information

For the twelve months ended December 31, 2007

(Expressed in thousands of U.S. dollars)

For the twelve month period ended December 31, 2007

	Mill and foundry products and services \$	Abrasive manufacturing and distribution operations \$	Unallocated \$	Total \$
External revenue by market				
Canada	11,595	6,688	-	18,283
U.S.	36,771	16,867	-	53,638
Europe	3,125	-	-	3,125
Other	275	44	-	319
Total revenue from external customers	<u>51,766</u>	<u>23,599</u>	-	<u>75,365</u>
Segment net earnings before interest expense and income taxes	5,428	3,139	(2,109)	6,458
Interest expense on long term debt				1,213
Interest expense				435
Provision for income taxes				<u>1,462</u>
Net earnings				<u>3,348</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>914</u>	<u>1,106</u>	<u>40</u>	<u>2,060</u>
Amortization of intangible assets	<u>1,334</u>	<u>47</u>	-	<u>1,381</u>
Goodwill and intangible assets as at December 31, 2007	<u>36,149</u>	<u>7,328</u>	-	<u>43,477</u>
Expenditures on property, plant and equipment	<u>579</u>	<u>1,241</u>	<u>14</u>	<u>1,834</u>

Opta Minerals Inc.

Segmented Information

For the three months ended December 31, 2006

(Expressed in thousands of U.S. dollars)

For the three month period ended December 31, 2006

	Mill and Foundry Products and Services \$	Abrasive Manufacturing and distribution operations \$	Unallocated \$	Total \$
External revenue by market				
Canada	2,623	1,578	-	4,201
U.S.	8,330	3,429	-	11,759
Europe	27	-	-	27
Other	77	8	-	85
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue from external customers	11,057	5,015	-	16,072
	<hr/>	<hr/>	<hr/>	<hr/>
Segment net earnings before interest expense and income taxes	1,478	787	(747)	1,518
Interest expense on long term debt				288
Interest expense				136
Provision for income taxes				<hr/> 430
Net earnings				<hr/> 664
Amortization of property plant and equipment	178	308	1	487
	<hr/>	<hr/>	<hr/>	<hr/>
Amortization of intangible assets	292	11	-	303
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures on property, plant and equipment	191	149	41	381
	<hr/>	<hr/>	<hr/>	<hr/>

Opta Minerals Inc.

Segmented Information

For the twelve months ended December 31, 2006

(Expressed in thousands of U.S. dollars)

For the twelve month period ended December 31, 2006

	Mill and Foundry Products and Services	Abrasive Manufacturing and distribution operations	Unallocated	Total
	\$	\$	\$	\$
External revenue by market				
Canada	11,013	8,440	-	19,453
U.S.	27,897	16,095	-	43,992
Europe	645	-	-	645
Other	186	37	-	223
Total revenue from external customers	<u>39,741</u>	<u>24,572</u>	-	<u>64,313</u>
Segment net earnings before interest expense and income taxes	5,072	4,105	(2,136)	7,041
Interest expense on long term debt				1,063
Interest expense				457
Provision for income taxes				<u>1,980</u>
Net earnings				<u>3,541</u>
Total assets as at December 31, 2006	<u>40,521</u>	<u>32,421</u>	<u>1,051</u>	<u>73,993</u>
Amortization of property plant and equipment	<u>534</u>	<u>1,204</u>	<u>3</u>	<u>1,741</u>
Amortization of intangible assets	<u>871</u>	<u>54</u>	<u>-</u>	<u>925</u>
Goodwill and intangible assets as at December 31, 2006	<u>23,768</u>	<u>6,921</u>	<u>-</u>	<u>30,689</u>
Expenditures on property, plant and equipment	<u>701</u>	<u>604</u>	<u>99</u>	<u>1,404</u>