

## Opta Minerals Inc. Reports Fourth Quarter and Year End Results for Fiscal 2009

WATERDOWN, ONTARIO--(Marketwire – March 9<sup>th</sup>, 2010) - Opta Minerals Inc. (TSX:OPM), today announced results for the three and twelve months ended December 31, 2009. 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 December 31, 2009, the net earnings were \$0.6 million, or \$0.04 per diluted common share, versus a net loss of (\$2.2 million) or (\$0.12) per diluted common share for the fourth quarter in 2008. The prior year fourth quarter results included an inventory write down in the amount of \$2.8 million. Year to date, the net loss for the twelve months ended December 31, 2009 was (\$6.2 million) or (\$0.34) per dilutive common share, versus net earnings of \$2.5 million or \$0.14 per diluted common share during 2008. The year-to-date results include a non-cash and non-taxable goodwill impairment charge in the amount of \$7.2 million which was recorded in the third quarter of 2009. Earnings before income taxes and non-controlling interest were \$0.6 million for the three months ended December 31, 2009, versus a loss of (\$3.0 million) for the comparative period in 2008 which included the inventory write down in the amount of \$2.8 million pre-tax. Operating activities have returned to profitability through strengthening in the steel markets and the benefit of our cost saving measures.

Revenues for the three months ended December 31, 2009 decreased 4% to \$16.7 million from \$17.4 million in 2008. Gross profit for the quarter increased to \$3.5 million or 20.8% of revenue, versus \$2.7 million or 15.8% of revenue in 2008 excluding the impact of the prior year inventory write down. The improvement in gross profit as a percentage of revenue over the previous period is a result of the benefit of cost saving measures.

David Kruse, President and CEO of Opta Minerals, noted “During the fourth quarter, Opta Minerals continued to see signs of recovery in our related industries and we have continued to increase production to meet the demand. We are pleased with the direction of the economic environment which has resulted in earnings before income taxes, goodwill impairment and non-controlling interest in the amount of \$1.6 million for the two quarters ended December 31, 2009. We should note, however, there remains continued uncertainty surrounding steel and abrasive-consuming industries, such as automotive, construction, infrastructure and shipyard activity, which make it difficult to forecast beyond a short horizon. Provided that there are no further unexpected economic deteriorations, we expect to see continued improvement throughout 2010.

Over the past 5 quarters we implemented cost-saving measures to realign operations with current customer demand. Included in these measures was a workforce reduction, as well as, an adjustment to the cost sharing of employee health benefits. In total, all restructuring efforts to date are expected to reduce annual operating costs by approximately \$6.0 million compared to the beginning of 2008. During the year we discontinued operations in Attica, New York and sold assets from the operation in exchange for a release of the Company’s obligations under an existing lease and service agreement. We consolidated the operations in Quebec into one facility and, during the third quarter, sold one of the warehouses owned by the Company and, during the fourth quarter, negotiated a lease termination agreement for another.

Opta Minerals has generated significant cash flow from working capital reductions during the year ended December 31, 2009, including a substantial reduction in inventory.”

For the three months ended December 31, 2009, cash flow from operating activities generated \$3.0 million versus \$2.1 million in the fourth quarter of 2008. The strong cash flow from operating activities has resulted in a decrease in bank indebtedness in the amount of \$2.3 million and payments on long-term debt in the amount of \$0.5 million. On a year to date basis, cash flows from operations generated \$10.5 million versus \$1.9 million during 2008.

Selling, general and administrative expenses decreased \$0.3 million during the fourth quarter, from \$2.4 million or 14.1% of revenues for the fourth quarter of 2008 to \$2.1 million or 12.4% of revenues in the fourth quarter of 2009. Most of the decrease related to reduced professional fees and employee costs resulting from cost reduction measures put in place by management during the past 5 quarters. Year to date, selling, general and administrative expenses have decreased \$1.9 million from \$11.0 million incurred in 2008 to \$9.1 million for 2009. Taking into account the \$0.4 million increase in selling, general and administrative expenses incurred at MCP, which was acquired during the third quarter of 2008, total year over year savings are \$2.3 million.

During the third quarter, the Company recorded a goodwill impairment charge in the amount of \$7.2 million net of a reversal of the contingent consideration accrual previously recorded in Other Long-term Liabilities in the amount of \$1.1 million. The Company performed its annual impairment test of goodwill on September 30, 2009. During the third quarter, management determined that there were external market conditions and other circumstances that suggested the carrying value of the goodwill of certain operating units may exceed their fair value. The external market conditions included a decrease in operating results as compared to the prior year and a lower than previously anticipated future operating income growth due to the slow recovery in the global economy.

EBITDA for the quarter increased from (\$1.5 million) in 2008 to \$2.0 million for the three months ended December 31, 2009. Year to date, the economic slowdown has resulted in a decrease in EBITDA from \$9.6 million for 2008 to \$6.2 million in 2009. Included in EBITDA for the year ended December 31, 2009 are non-recurring other expense items totaling \$0.2 million. This amount is substantially comprised of \$0.4 million in restructuring severance costs offset by a gain on sale of fixed assets in our Attica facility in the amount of \$0.2 million.

The Company's working capital at December 31, 2009 stood at \$12.2 million and total assets were \$86.9 million. The debt-to-equity ratio at December 31, 2009 was 0.70 to 1.00.

Subsequent to the acquisition of MCP Mg-Serbien SAS (MCP) during 2008, its unconsolidated losses triggered a statutory requirement in France to increase the capital stock. On December 22, 2009, the Company fulfilled its obligation to increase the value of its shareholdings and, at the same time, the non-controlling interest declined to increase its prorata share of the shareholdings. As a result, the non-controlling interest's shares were cancelled and the Company increased its ownership in MCP to 100%. Non-controlling interest has been credited by \$264,000 with an offsetting reduction to retained earnings. Subsequent to this event, the legal entity was renamed Opta Minerals Europe SAS.

Opta Minerals President and CEO, David Kruse, plans to host a conference call at 10:00AM Eastern Standard Time on Friday March 12<sup>th</sup>, 2010 to discuss fourth quarter 2009 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) 516-2435 or 1-(719) 325-2289; quote confirmation code 9204026. If you are unable to listen live, the conference call will be archived and can be accessed between March 12<sup>th</sup>, 2010 and March 19<sup>th</sup>, 2010, with the toll free dial-in number 1-(888) 203-1112 or (647) 436-0148 followed by pass code 9204026.

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:

**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 three Months Ended December 31		For the twelve Months Ended December 31	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Net Earnings (Loss) for the Period</b>	616	(2,224)	(6,205)	2,478
Interest Expense	340	528	1,588	2,089
Provision for (recovery of) Income Taxes	6	(799)	(242)	1,034
Depreciation and Amortization	1,049	963	3,851	3,949
Goodwill Impairment	-	-	7,198	-
<b>EBITDA<sup>1</sup></b>	<b>2,011</b>	<b>(1,532)</b>	<b>6,190</b>	<b>9,550</b>
Add (subtract):				
Depreciation and Amortization	(1,049)	(963)	(3,851)	(3,949)
Goodwill Impairment	-	-	(7,198)	-
<b>Earnings (loss) before income taxes and interest<sup>2</sup></b>	<b>962</b>	<b>(2,495)</b>	<b>(4,859)</b>	<b>5,601</b>

## Notes

- 1) The term “EBITDA” refers to earnings before deducting interest expense, provision for income taxes, depreciation and amortization including charges for goodwill impairment. 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](http://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 December 31, 2009 and 2008

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

	2009	2008
Revenue	\$ 16,716	\$ 17,365
Cost of goods sold	13,232	17,463
Gross Profit (Loss)	3,484	(98)
Selling, general and administrative expenses	2,067	2,443
Earnings (Loss) Before Undernoted Items, Income Taxes, and Non-controlling Interest	1,417	(2,541)
Interest expense - net	340	528
Amortization of intangible assets	477	413
Stock compensation expense	75	97
Other expenses	(68)	-
Foreign exchange gain	(35)	(556)
	789	482
Earnings (Loss) Before Income Taxes and Non-controlling Interest	628	(3,023)
Provision for (recovery of) income taxes	6	(799)
Net Earnings (Loss)	622	(2,224)
Net earnings attributable to non-controlling interest	6	-
Net Earnings (Loss) Attributable to Opta Minerals Inc.	\$ 616	\$ (2,224)
Earnings (loss) per share for the period		
-Basic and diluted	\$ 0.04	\$ (0.12)

## Opta Minerals Inc.

Consolidated Statements of Earnings (Loss)

For the twelve month periods ended December 31, 2009 and 2008

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

	2009	2008
Revenue	\$ 62,526	\$ 93,423
Cost of goods sold	49,445	74,996
Gross Profit	13,081	18,427
Selling, general and administrative expenses	9,106	10,997
Earnings Before Underrated Items, Income Taxes, Goodwill Impairment and Non-controlling Interest	3,975	7,430
Interest expense - net	1,588	2,089
Amortization of intangible assets	1,844	1,719
Stock compensation expense	285	301
Other expenses	237	59
Foreign exchange gain	(466)	(250)
	3,488	3,918
Earnings Before Income Taxes, Goodwill Impairment and Non- controlling Interest	487	3,512
Provision for (recovery of) income taxes	(242)	1,034
Earnings Before Goodwill Impairment and Non-controlling Interest	729	2,478
Goodwill impairment	7,198	-
Net Earnings (Loss)	(6,469)	2,478
Net loss attributable to non-controlling interest	(264)	-
Net Earnings (Loss) Attributable to Opta Minerals Inc.	\$ (6,205)	\$ 2,478
Earnings (loss) per share for the year		
-Basic and diluted	\$ (0.34)	\$ 0.14

# Opta Minerals Inc.

## Consolidated Balance Sheets

Expressed in thousands of U.S. dollars

	2009	2008
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 781	\$ 1,377
Accounts receivable	9,422	9,133
Inventories	17,181	22,223
Prepaid expenses and other current assets	628	1,793
Assets held for sale	-	664
Income taxes recoverable	584	362
	<b>28,596</b>	<b>35,552</b>
Property, Plant and Equipment	17,796	16,664
Intangible and Other Assets	31,691	32,464
Goodwill	6,019	14,160
Future Income Taxes	2,779	2,406
	<b>\$ 86,881</b>	<b>\$ 101,246</b>
<b>Liabilities</b>		
<b>Current</b>		
Bank indebtedness	3,355	7,797
Accounts payable and accrued liabilities	8,544	7,788
Current portion of long-term debt	4,495	4,097
Current portion of preference shares	44	38
	<b>16,438</b>	<b>19,720</b>
Long Term Debt	18,912	20,594
Other Long Term Liabilities	1,387	3,095
Future Income Taxes	2,674	2,849
Future Income Taxes on Intangible Assets	9,213	9,695
	<b>48,624</b>	<b>55,953</b>
<b>Shareholders' Equity</b>		
<b>Capital Stock</b>		
Authorized unlimited number of common shares and preference shares without par value		
Issued -		
18,023,193 (December 31, 2008 - 18,003,459) common shares	17,612	17,587
Contributed Surplus	1,950	1,665
Accumulated Other Comprehensive Income	3,502	4,379
Retained Earnings	15,193	21,662
	<b>38,257</b>	<b>45,293</b>
	<b>\$ 86,881</b>	<b>\$ 101,246</b>

# Opta Minerals Inc.

## Consolidated Statements of Cash Flows

For the three month periods ended December 31, 2009 and 2008

Expressed in thousands of U.S. dollars

	2009	2008
<b>Cash Provided By (Used in) -</b>		
<b>Operating Activities</b>		
Net earnings (loss) for the year	\$ 622	\$ (2,224)
Items not affecting cash:		
Amortization of property, plant and equipment	572	550
Amortization of intangible assets	477	413
Stock compensation expense	75	97
Future income taxes	87	(868)
Realized foreign exchange gain on foreign operations	(180)	-
Unrealized foreign exchange gain on long term debt	-	(110)
Net (gain) loss on disposal of property, plant and equipment	(12)	8
	<b>1,641</b>	<b>(2,134)</b>
Changes in non-cash working capital		
Accounts receivable	26	5,090
Inventories	294	1,773
Prepaid expenses and other current assets	679	(817)
Accounts payable and accrued liabilities	721	(872)
Income taxes recoverable	(404)	(916)
	<b>2,957</b>	<b>2,124</b>
<b>Financing Activities</b>		
Proceeds from issuance of common shares - net of issuance costs	6	15
Decrease in bank indebtedness	(2,322)	(3,315)
Proceeds from long-term debt	-	528
Repayment of long-term debt	(509)	(402)
	<b>(2,825)</b>	<b>(3,174)</b>
<b>Investing Activities</b>		
Acquisition of property, plant and equipment	(510)	(779)
Proceeds on disposal of property, plant and equipment	-	4
Additional consideration paid on acquisitions	-	(514)
	<b>(510)</b>	<b>(1,289)</b>
<b>Foreign Exchange Gain on Cash Held in Foreign Currency</b>	<b>(2)</b>	<b>55</b>
Decrease in Cash and Cash Equivalents	(380)	(2,284)
<b>Cash and Cash Equivalents</b>		
Beginning of Period	1,161	3,661
End of Period	<b>\$ 781</b>	<b>\$ 1,377</b>
<b>Additional Cash Flows Information:</b>		
Interest paid	\$ 325	\$ 497
Income taxes paid	324	754

# Opta Minerals Inc.

## Consolidated Statements of Cash Flows

For the twelve month periods ended December 31, 2009 and 2008

Expressed in thousands of U.S. dollars

	2009	2008
<b>Cash Provided By (Used in) -</b>		
<b>Operating Activities</b>		
Net earnings (loss) for the year	\$ (6,469)	\$ 2,478
Items not affecting cash:		
Amortization of property, plant and equipment	2,007	2,230
Amortization of intangible assets	1,844	1,719
Goodwill impairment	7,198	-
Other expenses	(96)	-
Stock compensation expense	285	301
Future income taxes	(1,044)	(1,248)
Realized foreign exchange gain on foreign operations	(798)	(292)
Net loss on disposal of property, plant and equipment	68	43
	2,995	5,231
Changes in non-cash working capital		
Accounts receivable	65	972
Inventories	6,201	(1,769)
Prepaid expenses and other current assets	1,219	96
Accounts payable and accrued liabilities	284	(2,373)
Income taxes recoverable	(221)	(220)
	10,543	1,937
<b>Financing Activities</b>		
Proceeds from issuance of common shares - net of issuance costs	25	59
(Decrease) increase in bank indebtedness	(5,463)	2,544
Proceeds from long-term debt	795	4,750
Repayment of long-term debt	(4,648)	(7,439)
	(9,291)	(86)
<b>Investing Activities</b>		
Acquisition of property, plant and equipment	(2,507)	(1,376)
Proceeds on disposal of property, plant and equipment	651	58
Additional consideration paid on acquisitions	-	(525)
Acquisition of companies, net of cash acquired	-	(1,005)
	(1,856)	(2,848)
<b>Foreign Exchange Gain on Cash Held in Foreign Currency</b>	<b>8</b>	<b>38</b>
<b>Decrease in Cash and Cash Equivalents</b>	<b>(596)</b>	<b>(959)</b>
<b>Cash and Cash Equivalents</b>		
Beginning of Year	1,377	2,336
End of Year	\$ 781	\$ 1,377
<b>Additional Cash Flows Information:</b>		
Interest paid	\$ 1,677	\$ 2,163
Income taxes paid	986	2,371

## Opta Minerals Inc.

### Segmented Information

For the three months ended December 31, 2009

Expressed in thousands of U.S. dollars

Three Months Ended December 31, 2009

	Mill and foundry Products and services	Abrasive Products manu- facturing and Distribution operations	Unallocated	Total
External revenue by market				
Canada	\$ 1,835	\$ 1,355	\$ -	\$ 3,190
U.S	7,021	3,858	-	10,879
Europe	2,468	-	-	2,468
Other	-	179	-	179
Total revenue from external customers	11,324	5,392	-	16,716
Segment earnings (loss) before interest expense and income taxes	1,198	(164)	(66)	968
Interest expense on long-term debt				(200)
Interest expense				(140)
Provision for income taxes				(6)
Non-controlling interest share of net earnings	(6)	-	-	(6)
Net loss for the year				616
Amortization of property, plant and equipment	306	246	20	572
Amortization of intangible assets	471	6	-	477
Expenditures on property, plant and equipment	\$ 24	\$ 443	\$ 43	\$ 510

# Opta Minerals Inc.

## Segmented Information

For the twelve months ended December 31, 2009

Expressed in thousands of U.S. dollars

Twelve Months Ended December 31, 2009

	Mill and foundry Products and services	Abrasive Products manu- facturing and Distribution operations	Unallocated	Total
External revenue by market				
Canada	\$ 7,708	\$ 5,447	\$ -	\$ 13,155
U.S.	24,482	15,537	-	40,019
Europe	8,874	-	-	8,874
Other	148	330	-	478
Total revenue from external customers	41,212	21,314	-	62,526
Segment loss before interest expense and income taxes	(1,749)	(3,097)	(277)	(5,123)
Interest expense on long-term debt				(1,054)
Interest expense				(534)
Recovery of income taxes				242
Non-controlling interest share of net loss	264	-	-	264
Net loss for the year				(6,205)
Total assets as at December 31, 2009	56,661	28,121	2,099	86,881
Amortization of property, plant and equipment	1,081	855	71	2,007
Amortization of intangible assets	1,820	24	-	1,844
Goodwill impairment	4,101	3,097	-	7,198
Goodwill and intangible assets as at December 31, 2009	34,105	3,605	-	37,710
Expenditures on property, plant and equipment	\$ 204	\$ 2,194	\$ 109	\$ 2,507

## Opta Minerals Inc.

### Segmented Information

For the three months ended December 31, 2008

Expressed in thousands of U.S. dollars

Three Months Ended December 31, 2008

	Mill and Foundry Products and Services	Abrasive Products Manu- facturing and Distribution Operations	Unallocated	Total
External revenue by market				
Canada	\$ 2,329	\$ 1,097	\$ -	\$ 3,426
U.S	6,915	3,544	-	10,459
Europe	3,472	4	-	3,476
Other	-	4	-	4
Total revenue from external customers	12,716	4,649	-	17,365
Segment earnings (loss) before interest expense and income taxes	(3,197)	185	517	(2,495)
Interest expense on long-term debt				(386)
Interest expense				(142)
Recovery of income taxes				799
Net earnings for the period				(2,224)
Amortization of property, plant and equipment	287	242	21	550
Amortization of intangible assets	402	11	-	413
Expenditures on property, plant and equipment	\$ 657	\$ 114	\$ 8	\$ 779

# Opta Minerals Inc.

## Segmented Information

For the twelve months ended December 31, 2008

Expressed in thousands of U.S. dollars

Twelve Months Ended December 31, 2008

	Mill and foundry Products and services	Abrasive Products manu- facturing and Distribution operations	Unallocated	Total
External revenue by market				
Canada	\$ 12,935	\$ 5,267	\$ -	\$ 18,202
U.S.	44,603	17,005	-	61,608
Europe	13,490	9	-	13,499
Other	76	38	-	114
Total revenue from external customers	71,104	22,319	-	93,423
Segment earnings (loss) before interest expense and income taxes	4,707	2,962	(2,068)	5,601
Interest expense on long-term debt				(1,521)
Interest expense				(568)
Provision for income taxes				(1,034)
Net earnings for the year				2,478
Total assets as at December 31, 2008	70,806	27,198	3,242	101,246
Amortization of property, plant and equipment	1,101	1,006	123	2,230
Amortization of intangible assets	1,671	48	-	1,719
Goodwill and intangible assets as at December 31, 2008	39,859	6,765	-	46,624
Expenditures on property, plant and equipment	\$ 760	\$ 547	\$ 69	\$ 1,376