

Opta Minerals Inc. Reports 1st Quarter Results for Fiscal 2006

WATERDOWN, ONTARIO--(CCNMatthews – May 3, 2006) - Opta Minerals Inc. (TSX:OPM)(TSX:OPM.WT), a vertically integrated producer, manufacturer, distributor and recycler of silica-free loose abrasives, roofing shingle granules, industrial minerals, specialty sands and related products, today announced results for the three months ended March 31, 2006. All figures are in Canadian dollars and in accordance with Canadian Generally Accepted Accounting Principles (GAAP), except where otherwise noted.

Highlights from the Quarter:

- Acquisition of Magnesium Technologies Corporation, an operation with \$35.0 million in annual revenues and facilities located in Ohio and Indiana.
- Net Earnings increase of 328% over Q1 2005 results and an 87% increase in earnings before interest, income taxes, depreciation and amortization (“EBITDA”).
- Positive cash flow from operating activities of \$2.2 million versus \$0.4 million during Q1 2005.
- Continued development and introduction of new products into the marketplace.

Opta Minerals reported first quarter revenue for fiscal 2006 of \$15.1 million a 59% increase compared to \$9.5 million in the first quarter of fiscal 2005. Earnings before interest, income taxes, depreciation and amortisation (“EBITDA”) increased by 87% from \$867,000 in the first quarter of 2005 to \$1,619,000 in 2006. The increase in sales was driven by strong performances at the Company’s Norfolk, Baltimore and Hardeeville facilities, along with 45 days of operating results from its newly acquired subsidiary, Magnesium Technologies Corp. (“Magtech”).

"Excluding Magtech, revenues from operations were \$11.0 million, a 16% increase over Q1 2005. The strong result generated this quarter is evidence of the momentum and organic growth potential of existing operations and markets. In addition the acquisition of Magtech in February 2006 has significantly increased the Company’s results compared to prior year." said David Kruse, President and Chief Executive Officer.

Gross profit increased 53% from \$2.1 million (22% of revenue) for the three months ended March 31, 2005 to \$3.2 million (21% of revenue) in 2006. The increase in gross profit is substantially due to the inclusion of Magtech into the Company’s consolidated results, and an increase in heritage business sales volumes.

Earning before income taxes, interest and stock compensation expense increased 24% from \$0.9 million in Q1 2005 to \$1.1 million for the three months ended March 31, 2006.

Net earnings for the year were \$462,000 or \$0.03 per diluted common share in Q1 2006 as compared to \$108,000 or \$0.01 per diluted common share for the same period in 2005. Results for 2006 include approximately \$175,000 of pretax costs relating to one time consulting fees and costs incurred on production trials of a new garnet product.

The Company continues to maintain a strong balance sheet, with working capital of \$11,837,000 and total assets of \$78,245,000. The debt to equity ratio as at March 31, 2006 was 0.74 to 1.00. The Company has cash resources of approximately \$2,164,000 and has available credit facilities of a further \$7,671,000. 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.

On February 15th, 2006 the Company announced that it had acquired 100% of the outstanding shares of Magnesium Technologies Corporation (“MagTech”). For fiscal 2005 MagTech recorded revenues of approximately US \$29,000,000 selling its proprietary and patented desulphurization systems and products, which are produced to the specific requirements of each customer that it services within both the Canadian and United States steel industries. This profitable company employs approximately 70 people, and is a leader in new product development within its industry. MagTech maintains a very high level of customer specific technical service with its primary customers, through the use of onsite technicians who monitor and manage the use of its products in the desulphurization process. The addition of MagTech substantially increases Opta's position in the industrial minerals business and further expands its current position as a key service provider to the steel industry. MagTech's primary market is within North America, however opportunities exist to expand internationally. As part of the transaction, Opta has secured an option to acquire a control position in an affiliate employing MagTech technology in Europe. The total purchase price of US \$18,000,000 was comprised of cash of US \$12,000,000, and a long term note in the amount of US \$6,000,000. To finance the acquisition, available credit facilities were expanded by \$8,000,000 and drawn upon.

Opta Minerals' President and CEO, David Kruse, plans to host a conference call at 9:30 AM Eastern Standard Time, on Friday May 12th, at the Company's annual general meeting to discuss Q1 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 (800) 946-0742 or (719) 457-2650 followed by pass code: 1108549#. If you are unable to listen live, the conference call will be archived and can be accessed at the following replay numbers between May 12th and May 16th with the toll free dial-in number (888) 203-1112 or (719) 457-0820 followed by pass code: 1108549#.

Opta Minerals is a vertically integrated producer, manufacturer, distributor and recycler of silica-free loose abrasives, roofing shingle granules, industrial minerals, specialty sands and related products for use primarily in the foundry, steel, marine/bridge cleaning and municipal water filtration industries. The Company has experienced solid growth since July 1995, through a combination of internal growth and successfully integrated strategic acquisitions to become one of the dominant regional suppliers of silica-free loose abrasives in a number of select markets on the east coast of North America.

The Company currently has production and distribution facilities in Ontario, Quebec, Louisiana, South Carolina, Virginia, Maryland, Indiana, Ohio and New York and one of the broadest product lines in the industry. Recognizing that the fragmentation and lack of consolidation among suppliers in its industry has provided it with a strategic growth opportunity, the Company intends to capitalize on this opportunity to become one of the dominant North American suppliers of silica-free loose abrasives while at the same time leveraging this core expertise to expand its breadth of services and product offering in other industrial minerals. In order to achieve this objective, the Company intends to accelerate its revenue and market share growth over the next several years by making a number of additional strategic acquisitions, through geographic expansion and through continued development of new products and services.

For further information, please contact:

Opta Minerals Inc.

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FOOTNOTES:

Earnings before income taxes, interest, and stock compensation expense; and earnings before interest, income taxes, depreciation and amortisation (“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 March 31	
	2005	2004
	\$	\$
Net Earnings for the Period	462	108
Interest Expense	336	93
Provision for Income taxes	293	314
Depreciation and Amortisation	528	352
EBITDA¹	1,619	867
Add (subtract):		
Depreciation and Amortisation	(528)	(352)
Stock Compensation Expense	52	406
Earnings before income taxes, interest and stock compensation expense²	1,143	921

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) Earnings before income taxes, interest and stock compensation expense is defined as gross profit less selling general and administrative expenses, other income and foreign exchange. The Company believes that earnings before taxes and stock compensation expense 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 income taxes, interest and expenses pertaining to stock option benefits. Earnings before income taxes, interest and stock compensation expense 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.

Except for historical information contained herein, this news release contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially. Factors that might cause a difference include, but are not limited to, those relating to fluctuations in the exchange rate between the U.S. dollar and the Canadian dollar and other currencies, general economic conditions and our ability to execute our growth strategy. Opta will not update these forward-looking statements to reflect events or circumstances after the date hereof. More detailed information about potential factors

that could affect Opta's financial results is included in the documents Opta files from time to time with Canadian securities regulatory authorities.

Opta Minerals Inc.

Consolidated Statements of Earnings

For the three month periods ended March 31, 2006 and 2005

(Expressed in thousands of Canadian dollars, except per share amounts)

(Unaudited)

	2005	2004
	\$	\$
Revenue	15,065	9,494
Cost of goods sold	11,864	7,402
Gross profit	3,201	2,092
Selling, general and administrative expenses	1,969	1,240
Earnings before the following	1,232	852
Interest expense - net	336	93
Stock compensation expense	52	406
Foreign exchange loss (gain)	89	(69)
Earnings before income taxes	477	430
Provision for income taxes	293	314
Net earnings for the period	462	108
Earnings per share for the period		
Basic and diluted	0.03	0.01

Opta Minerals Inc.

Consolidated Balance Sheets

(Expressed in thousands of Canadian dollars, except per share amounts)

(Unaudited)

	March 31, 2006 \$	December 31, 2005 \$
Assets		
Current assets		
Cash and cash equivalents	2,164	4,077
Accounts receivable	9,076	6,365
Inventories	15,394	15,238
Prepaid expenses and other current assets	2,162	507
Due from affiliates	17	29
	<u>28,813</u>	<u>26,216</u>
Property, plant and equipment – net	18,024	13,003
Intangible and other assets - net	22,118	613
Goodwill	8,669	7,611
Future Income Taxes	621	636
	<u>78,245</u>	<u>48,079</u>
Liabilities		
Current liabilities		
Bank indebtedness	8,777	-
Accounts payable and accrued liabilities	4,340	3,924
Current portion of long-term debt	3,006	1,010
Current portion of preference shares	77	77
Income taxes payable	776	10
	<u>16,976</u>	<u>5,021</u>
Long-term debt	14,894	7,005
Future income taxes	10,263	657
	<u>42,133</u>	<u>12,683</u>
Shareholder's Equity		
Capital stock		
Authorized: Unlimited number of common shares and preference shares without par value		
Issued		
16,954,962 (December 31, 2005 – 16,952,574) common shares	18,258	18,250
Contributed surplus	1,289	1,237
Retained earnings	18,169	17,707
Currency Translation Adjustment	(1,604)	(1,798)
	<u>36,112</u>	<u>35,396</u>
	<u>78,245</u>	<u>48,079</u>

Opta Minerals Inc.

Segmented Information

For the three months ended March 31, 2006

(Expressed in thousands of Canadian dollars)

(Unaudited)

	For the three month period ended March 31, 2006			
	Mill and foundry products and services \$	Abrasive manufacturing and distribution operations \$	St. Bruno de Guigues quarry operations \$	Total \$
External revenue by market				
Canada	2,901	2,234	200	5,335
U.S.	4,430	5,102	60	9,592
Other	110	23	5	138
Total revenue from external customers	<u>7,441</u>	<u>7,359</u>	<u>265</u>	<u>15,065</u>
Segment net earnings before interest expense and income taxes	694	432	(35)	1,091
Interest expense				336
Provision for income taxes				<u>293</u>
Net earnings				<u>462</u>
Total assets as at March 31, 2006	<u>34,820</u>	<u>40,949</u>	<u>2,476</u>	<u>78,245</u>
Amortization of property plant and equipment	<u>52</u>	<u>289</u>	<u>37</u>	<u>378</u>
Amortization of intangible assets	<u>132</u>	<u>18</u>	<u>-</u>	<u>150</u>
Goodwill and intangible assets as at March 31, 2006	<u>22,514</u>	<u>8,273</u>	<u>-</u>	<u>30,787</u>
Expenditures on property, plant and equipment	<u>163</u>	<u>175</u>	<u>-</u>	<u>338</u>
Expenditures on goodwill	<u>993</u>	<u>-</u>	<u>-</u>	<u>993</u>

Opta Minerals Inc.

Segmented Information

For the three months ended March 31, 2005

(Expressed in thousands of Canadian dollars)

(Unaudited)

	For the three month period ended March 31, 2005			
	Mill and Foundry Products and Services \$	Abrasive Manufacturing and distribution operations \$	St. Bruno de Guigues quarry operations \$	Total \$
External revenue by market				
Canada	1,151	4,161	293	5,605
U.S.	4	3,816	56	3,876
Other	-	13	-	13
Total revenue from external customers	<u>1,155</u>	<u>7,990</u>	<u>349</u>	<u>9,494</u>
Segment net earnings before interest expense and income taxes	162	391	(38)	515
Interest expense				93
Provision for income taxes				<u>314</u>
Net earnings				<u>108</u>
Total assets as at March 31, 2005	<u>588</u>	<u>43,962</u>	<u>3,511</u>	<u>48,061</u>
Amortization of property plant and equipment	<u>8</u>	<u>293</u>	<u>40</u>	<u>341</u>
Amortization of intangible assets	<u>-</u>	<u>11</u>	<u>-</u>	<u>11</u>
Goodwill and intangible assets as at March 31, 2005	<u>-</u>	<u>7,904</u>	<u>-</u>	<u>7,904</u>
Expenditures on property, plant and equipment	<u>5</u>	<u>225</u>	<u>3</u>	<u>233</u>
Expenditures on goodwill	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>