

Opta Minerals Inc. Reports 1st Quarter Results for Fiscal 2007

WATERDOWN, ONTARIO--(CCNMatthews – May 8, 2007) - Opta Minerals Inc. (TSX:OPM) (TSX:OPM.WT), 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 months ended March 31, 2007. All figures are in Canadian dollars and in accordance with Canadian Generally Accepted Accounting Principles (GAAP), except where otherwise noted.

Opta Minerals reported first quarter revenue for fiscal 2007 of \$19.3 million a 28% increase compared to \$15.1 million in the first quarter of fiscal 2006. Earnings before interest, income taxes, depreciation and amortisation (“EBITDA”) increased by 59% from \$1.6 million in the first quarter of 2006 to \$2.6 million in the first quarter of 2007. The increase in sales was driven by strong performances at the Company’s Norfolk, Baltimore and Keeseville facilities, along with a full three months of operating results from Magnesium Technologies and its newly acquired subsidiary, Bimac Inc. (“Bimac”).

Gross profit increased 49% from \$3.2 million (21% of revenue) for the three months ended March 31, 2006 to \$4.8 million (25% of revenue) in the corresponding period of fiscal 2007. The increase in gross profit is substantially due to the inclusion of a full quarter’s results of companies acquired in 2006.

Earning before income taxes and interest (“EBIT”) increased 57% from \$1.1 million in Q1 2006 to \$1.7 million for the three months ended March 31, 2007.

Net earnings for the three months ended March 31, 2007 were \$826,000 or \$0.05 per diluted common share in Q1 2007, an increase of 79% as compared to \$462,000 or \$0.03 per diluted common share for the same period in 2006.

The Company continues to maintain a strong balance sheet, with working capital of \$12.4 million and total assets of \$86.2 million. The debt to equity ratio as at March 31, 2007 was 0.65 to 1.00. The Company has cash and available credit facilities of a further \$4.6 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.

Recent events from the quarter:

- Expanded production facilities in Laval Quebec. During the quarter the Company acquired 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 assets were acquired from receivership for \$400,000. The plant is expected to begin commercial production early May, and the Company expects 2007 revenues from operations to be over \$1.0 million with continued strong internal growth in the following years.
- Expansion of the magnesium desulfurization business. In March, the Company announced two significant developments with respect to its magnesium desulfurization business. First, Opta received a

two year order with a global integrated steel manufacturer to supply desulfurization products. Production is expected to commence during the second quarter and revenues from this order are expected to exceed U.S. \$8.4 million over the term of the agreement. Second, the Company announced an expansion of its Waterdown facility to include the production of magnesium desulfurization products. The Company continues to expect annual revenues from this expansion of \$3.9 million with strong internal growth in future years. However commercial production originally planned to commence in the second quarter has been delayed and will commence upon the completion of the final upgrades and certifications to the plant.

"Revenues from operations were \$19.3 million, a 28% increase over Q1 2006, and net earnings have grown 79% from \$462,000 (\$0.03 per diluted common share) in the first quarter of 2006 to \$826,000 (\$0.05 per diluted common share) in 2007. A significant portion of this growth pertains to full quarter results being included in consolidated earnings for companies acquired in 2006. We remain committed to a blended approach to Company growth that includes both acquisition and organic sources. We have made significant progress on expanding our existing steel and abrasive business during the quarter and expect to realize on this investment in the remainder of 2007" said David Kruse, President and Chief Executive Officer.

Opta Mineral's President and CEO, David Kruse, plans to host a conference call at 9:30 AM Eastern Standard Time, on Friday May 11th, 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 (866) 904-6251 or (416) 915-8321. If you are unable to listen live, the conference call will be archived and can be accessed at the following replay numbers between May 11th and May 17th with the toll free dial-in number (866) 245-6755 or (416) 915-1035 followed by pass code: 90932#.

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 has experienced solid growth since July 1995, through a combination of internal growth and successfully integrated strategic acquisitions to become one of the leading regional suppliers of industrial minerals and 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, Michigan 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 leading North American suppliers of industrial minerals and silica-free loose abrasives while at the same time leveraging this core expertise to expand its breadth of services and product offering. 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 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.

(unaudited)	For the Three Months Ended March 31	
	2007 \$	2006 \$
Net Earnings for the Period	826	462
Interest Expense	435	336
Provision for Income taxes	453	293
Depreciation and Amortization	857	528
EBITDA¹	2,571	1,619
Add (subtract):		
Depreciation and Amortization	(857)	(528)
Earnings before income taxes and interest²	1,714	\$1,091

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 March 31, 2007 and 2006

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

(Unaudited)

	2007	2006
	\$	\$
Revenue	19,287	15,065
Cost of goods sold	14,525	11,864
Gross profit	4,762	3,201
Selling, general and administrative expenses	2,614	1,819
Earnings before the following	2,148	1,382
Interest expense - net	435	336
Amortization of intangible assets	355	150
Stock compensation expense	40	52
Foreign exchange loss	39	89
Earnings before income taxes	869	627
Provision for income taxes	453	293
Net earnings for the period	826	462
Earnings per share for the period		
Basic and diluted	0.05	0.03

Opta Minerals Inc.

Consolidated Balance Sheets

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

(Unaudited)

	March 31, 2007 \$	December 31, 2006 \$	March 31, 2006 \$
Assets			
Current assets			
Cash and cash equivalents	195	995	2,164
Accounts receivable	11,144	9,453	9,093
Inventories	16,462	16,383	15,394
Prepaid expenses and other current assets	1,480	1,740	2,162
Income taxes recoverable	249	289	
	<u>29,530</u>	<u>28,860</u>	<u>28,813</u>
Property, plant and equipment – net	20,812	20,528	18,024
Intangible and other assets - net	23,334	24,058	22,118
Goodwill	11,578	11,851	8,669
Future Income Taxes	951	936	621
	<u>86,205</u>	<u>86,233</u>	<u>78,245</u>
Liabilities			
Current liabilities			
Bank indebtedness	8,076	7,869	8,777
Accounts payable and accrued liabilities	5,411	5,699	4,340
Current portion of long-term debt	3,646	2,909	3,006
Current portion of preference shares	46	46	77
Income taxes payable			776
	<u>17,179</u>	<u>16,523</u>	<u>16,976</u>
Long-term debt	14,156	14,858	14,894
Other long-term liabilities	2,482	2,506	-
Future income taxes	12,162	12,549	10,263
	<u>45,979</u>	<u>46,436</u>	<u>42,133</u>
Shareholder's Equity			
Capital stock			
Authorized: Unlimited number of common shares and preference shares without par value			
Issued			
16,967,682 (December 31, 2006 – 16,964,539, March 31, 2006 – 16,954,962) common shares	18,303	18,289	18,258
Contributed surplus	1,466	1,429	1,289
Retained earnings	22,378	21,696	18,169
Accumulated other comprehensive income (loss)	(1,921)	(1,617)	(1,604)
	<u>40,226</u>	<u>39,797</u>	<u>36,112</u>
	<u>86,205</u>	<u>86,233</u>	<u>78,245</u>

Opta Minerals Inc.

Consolidated Statements of Cash Flows

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

(Expressed in thousands of Canadian dollars)

(Unaudited)

	2007	2006
	\$	\$
Cash provided by (used in)		
Operating activities		
Net earnings for the period	826	462
Items not affecting cash		
Amortization of property, plant and equipment	502	378
Amortization of intangible assets	355	150
Amortization of deferred financing costs	-	22
Stock compensation expense	40	52
Future income taxes	(89)	160
Unrealized foreign exchange gain on long term debt	(35)	-
Net loss on disposal of property plant and equipment	8	-
	<u>1,607</u>	<u>1,224</u>
Changes in non-cash working capital		
Accounts receivable	(1,753)	(507)
Inventories	(120)	1,690
Prepaid expenses and other current assets	259	(88)
Accounts payable and accrued liabilities	(260)	(367)
Income taxes payable	51	220
	<u>(216)</u>	<u>2,172</u>
Investing activities		
Acquisition of property, plant and equipment	(923)	(338)
Additional consideration paid on acquisitions	(13)	(7)
Proceeds on disposal of property, plant and equipment	20	-
Acquisition of company	-	(21,983)
	<u>(916)</u>	<u>(22,328)</u>
Financing Activities		
Deferred financing costs	-	(60)
Proceeds from issuance of common shares	11	8
Increase in bank indebtedness	207	8,777
Proceeds from long term debt	1,752	9,890
Repayment of long term debt	(1,639)	(403)
Repayment of due from affiliates	-	12
	<u>331</u>	<u>18,224</u>
Foreign exchange loss on cash held in foreign currency	<u>1</u>	<u>19</u>
Decrease in cash and cash equivalents during period	(800)	(1,913)
Cash and cash equivalents – Beginning of period	995	4,077
Cash and cash equivalents – End of period	195	2,164
Supplemental cash flow information		
Interest paid	656	267
Income taxes paid	466	84

Opta Minerals Inc.

Segmented Information

For the three months ended March 31, 2007

(Expressed in thousands of Canadian dollars)

(Unaudited)

For the three month period ended March 31, 2007

	Mill and foundry products and services \$	Abrasive manufacturing and distribution operations \$	Unallocated \$	Total \$
External revenue by market				
Canada	2,965	1,352	-	4,317
U.S.	10,367	4,406	-	14,773
Other	197	-	-	197
Total revenue from external customers	<u>13,529</u>	<u>5,758</u>	<u>-</u>	<u>19,287</u>
Segment net earnings before interest expense and income taxes	1,599	860	(745)	1,714
Interest expense on long term debt				309
Interest expense				126
Provision for income taxes				<u>453</u>
Net earnings				<u>826</u>
Total assets as at March 31, 2007	<u>46,227</u>	<u>37,394</u>	<u>2,584</u>	<u>86,205</u>
Amortization of property plant and equipment	<u>203</u>	<u>295</u>	<u>4</u>	<u>502</u>
Amortization of intangible assets	<u>342</u>	<u>13</u>	<u>-</u>	<u>355</u>
Goodwill and intangible assets as at March 31, 2007	<u>26,905</u>	<u>8,007</u>	<u>-</u>	<u>34,912</u>
Expenditures on property, plant and equipment	<u>258</u>	<u>662</u>	<u>3</u>	<u>923</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 \$	Unallocated \$	Total \$
External revenue by market				
Canada	2,901	2,434	-	5,335
U.S.	4,430	5,162	-	9,592
Other	110	28	-	138
Total revenue from external customers	<u>7,441</u>	<u>7,624</u>	<u>-</u>	<u>15,065</u>
Segment net earnings before interest expense and income taxes	794	1,079	(782)	1,091
Interest expense on long term debt				219
Interest expense				117
Provision for income taxes				<u>293</u>
Net earnings				<u>462</u>
Amortization of property plant and equipment	<u>52</u>	<u>326</u>	<u>-</u>	<u>378</u>
Amortization of intangible assets	<u>132</u>	<u>18</u>	<u>-</u>	<u>150</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>993</u>
Total assets as at March 31, 2006	<u>34,820</u>	<u>43,044</u>	<u>381</u>	<u>78,245</u>
Goodwill and intangible assets as at March 31, 2006	<u>22,514</u>	<u>8,068</u>	<u>-</u>	<u>30,582</u>
Total assets as at December 31, 2006	<u>47,223</u>	<u>37,784</u>	<u>1,226</u>	<u>86,233</u>
Goodwill and intangible assets as at December 31, 2006	<u>27,699</u>	<u>8,066</u>	<u>-</u>	<u>35,765</u>