

Opta Minerals Inc. Reports 2nd Quarter Results for Fiscal 2007

WATERDOWN, ONTARIO--(CCNMatthews – August 8, 2007) - 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 six months ended June 30, 2007. The Company has elected to change its reporting currency to U.S. dollars as approximately 70% of the Company's revenues are generated from operations based in the United States of America. All figures are therefore reported in U.S. dollars and in accordance with Canadian Generally Accepted Accounting Principles (GAAP), except where otherwise noted.

Opta Minerals reported second quarter revenue for fiscal 2007 of \$18.4 million, bringing year to date revenue to \$34.9 million an 11% increase over the first half of 2006. Earnings before interest, income taxes, depreciation and amortisation ("EBITDA") for the quarter were \$2.8 million, bringing year to date EBITDA to \$5.0 million, a 7% increase over the \$4.7 million reported in the first half of 2006. Year to date results have been positively affected by the inclusion of a full six months of results from the Bimac and Rossborough divisions that were acquired in 2006, the commencement of commercial production of desulfurization products at the Company's Waterdown Ontario facility, and shipment of product to the Company's new integrated steel mill customer in conjunction with a previously announced 2 year order that is expected to generate approximately \$8.4 million in revenue over the term of the agreement. Results generated from these activities were partially offset by lower than expected sales volumes for the three months ended June 30, 2007 into the Canadian abrasive and foundry industries, and lower sales volumes of desulfurization products to several of the Company's significant U.S. customers. Revenues for the three months ended June 30 2006 were \$18.4 million. For the quarter ended June 30 2006, EBITDA was \$3.2 million or 14% higher than the same period in 2007. Approximately 4% of this decline is due to the change in foreign exchange gains recorded in the periods.

Gross profit for the three months ended June 30 2007 was \$4.4 million, bringing year to date gross profit to \$8.5 million a 15% increase over the \$7.4 million recorded in the first six months of 2006. Gross profit for the three months ended June 30, 2006 was \$4.6 million or 4% higher than the same period in 2007.

Earnings before income taxes and interest ("EBIT") for the three months ended June 30, 2007 were \$2.0 million, bringing year to date EBIT to \$3.5 million which is comparable to the results for the first six months ended June 30, 2006. In the second quarter of 2006, the Company converted several U.S. dollar denominated debts into Canadian dollars at a favorable exchange rate resulting in a one time gain on foreign exchange of approximately \$0.14 million. For the three months ended June 30, 2006 the Company reported EBIT of \$2.6 million or 26% higher than the comparable period in 2007.

Net earnings for the three months ended June 30, 2007 were \$1.2 million or \$0.07 per diluted common share, bringing year to date net earnings to \$1.9 million or \$0.11 per diluted common share, which is comparable to the results of first six months ended June 30, 2006. For the three months ended June 30, 2006 the Company reported net earnings of \$1.4 million or 26% higher than the comparable period in 2007.

The Company continues to maintain a strong balance sheet, with working capital of \$11.4 million and total assets of \$77.4 million. The debt to equity ratio as at June 30, 2007 was 0.66 to 1.00. The Company has cash and available credit facilities of a further \$5.0 million, and is in the process of expanding available facilities by approximately \$25.0 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:

- Commencement of commercial production at the Company's new facility in Laval Quebec. During the first 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 plant began commercial production in early May, and the Company expects 2007 revenues from operations to be over \$0.6 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 commenced 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 began commercial production and shipment of product to U.S. and Canadian integrated steel mill facilities late in the second quarter. The Company continues to expect annual revenues from this expansion of \$3.9 million with strong internal growth in future years.

David Kruse, President and Chief Executive Officer, said "Opta Minerals performed well in light of a number of market related challenges in the second quarter of 2007. Year to date revenues from operations were \$34.9 million, and remain 11% higher than the first six months results in 2006, while EBITDA has grown 7% from \$4.7 million in the first six months of 2006 to \$5.0 million in 2007. A significant portion of this growth pertains to a full six months results being included in consolidated earnings for companies acquired in 2006 being partially offset by revenue weakness in the Company's Canadian abrasive and foundry products markets and lower sales volumes to several of the Company's significant U.S. based desulfurization products customers. We remain committed to a blended approach to Company growth that includes both acquisition and organic sources. We are now beginning to see results from the expansions of our existing steel and abrasive business during the quarter and expect to realize on this investment during the remainder of 2007".

Opta Mineral's President and CEO, David Kruse, plans to host a conference call at 10:00 AM Eastern Standard Time, on Monday August 20th to discuss second quarter 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 August 20th and August 27th with the toll free dial-in number (866) 245-6755 or (416) 915-1035 followed by pass code: 216337.

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 and New York and one of the broadest product lines in the industry.

For further information, please contact:

Opta Minerals Inc.

David Kruse, President and Chief Executive Officer

James Wilson, Chief Financial Officer and Secretary

Tel: 905-689-6661, ext 401

investor_relations@optaminerals.com

Website: www.optaminerals.com

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 June 30	
	2007 \$	2006 \$
Net Earnings for the Period	1,150	1,445
Interest Expense	384	404
Provision for Income taxes	514	729
Depreciation and Amortization	748	665
EBITDA¹	2,796	3,243
Add (subtract):		
Depreciation and Amortization	(748)	(665)
Earnings before income taxes and interest²	2,048	2,578

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 June 30, 2007 and 2006

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

(Unaudited)

	2007	2006
	\$	\$
Revenue	18,390	18,414
Cost of goods sold	13,955	13,802
Gross profit	4,435	4,612
Selling, general and administrative expenses	2,203	2,049
Earnings before the following	2,232	2,563
Interest expense - net	384	404
Amortization of intangible assets	282	233
Stock compensation expense	35	28
Foreign exchange gain	(133)	(276)
Earnings before income taxes	568	389
Provision for income taxes	1,664	2,174
Net earnings for the period	514	729
Earnings per share for the period	1,150	1,445
Basic and diluted	0.07	0.09

Opta Minerals Inc.

Consolidated Statements of Earnings

For the six month periods ended June 30, 2007 and 2006

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

(Unaudited)

	2007	2006
	\$	\$
Revenue	34,853	31,498
Cost of goods sold	26,353	24,075
Gross profit	8,500	7,423
Selling, general and administrative expenses	4,434	3,664
Earnings before the following	4,066	3,759
Interest expense - net	755	695
Amortization of intangible assets	586	363
Stock compensation expense	69	73
Foreign exchange gain	(100)	(201)
Earnings before income taxes	1,310	930
Provision for income taxes	901	983
Net earnings for the period	1,855	1,846
Earnings per share for the period		
Basic and diluted	0.11	0.11

Opta Minerals Inc.

Consolidated Balance Sheets

(Expressed in thousands of U.S. dollars)

(Unaudited)

	June 30, 2007	December 31, 2006	June 30, 2006
	\$	\$	\$
Assets			
Current assets			
Cash and cash equivalents	415	854	1,813
Accounts receivable	9,888	8,111	8,630
Inventories	16,435	14,057	12,978
Prepaid expenses and other current assets	890	1,492	1,832
Income taxes recoverable	67	248	-
	<u>27,695</u>	<u>24,762</u>	<u>25,253</u>
Property, plant and equipment – net	18,800	17,615	15,761
Intangible and other assets - net	19,928	20,644	18,707
Goodwill	10,237	10,169	7,552
Future Income Taxes	733	803	590
	<u>77,393</u>	<u>73,993</u>	<u>67,863</u>
Liabilities			
Current liabilities			
Bank indebtedness	8,446	6,752	6,317
Accounts payable and accrued liabilities	4,464	4,891	4,146
Current portion of long-term debt	3,348	2,496	2,777
Current portion of preference shares	44	39	42
Income taxes payable	-	-	356
	<u>16,302</u>	<u>14,178</u>	<u>13,638</u>
Long-term debt	12,353	12,749	12,727
Other long-term liabilities	2,150	2,150	-
Future income taxes	10,274	10,768	8,877
	<u>41,079</u>	<u>39,845</u>	<u>35,242</u>
Shareholder's Equity			
Capital stock			
Authorized: Unlimited number of common shares and preference shares without par value			
Issued			
16,976,627 (December 31, 2006 – 16,964,539, June 30, 2006 – 16,957,392) common shares	14,147	14,082	14,061
Contributed surplus	1,263	1,213	1,117
Retained earnings	17,691	15,960	14,265
Accumulated other comprehensive income	3,213	2,893	3,178
	<u>36,314</u>	<u>34,148</u>	<u>32,621</u>
	<u>77,393</u>	<u>73,993</u>	<u>67,863</u>

Opta Minerals Inc.

Consolidated Statements of Cash Flows
For the three month periods ended June 30, 2007 and 2006
(Expressed in thousands of U.S. dollars)
(Unaudited)

	2007	2006
	\$	\$
Cash provided by (used in)		
Operating activities		
Net earnings for the period	1,150	1,445
Items not affecting cash		
Amortization of property, plant and equipment	466	432
Amortization of intangible assets	282	233
Amortization of deferred financing costs	-	30
Stock compensation expense	35	28
Future income taxes	(112)	71
Unrealized foreign exchange gain on long term debt	(273)	(93)
	<u>1,548</u>	<u>2,146</u>
Changes in non-cash working capital		
Accounts receivable	73	(720)
Inventories	(1,465)	552
Prepaid expenses and other current assets	440	39
Accounts payable and accrued liabilities	(363)	284
Income taxes payable	165	(299)
	<u>398</u>	<u>2,002</u>
Investing activities		
Acquisition of property, plant and equipment	(610)	(437)
Additional consideration paid on acquisitions	(12)	(23)
	<u>(622)</u>	<u>(460)</u>
Financing Activities		
Deferred financing costs	-	(14)
Proceeds from issuance of common shares	37	7
Increase in bank indebtedness	774	(1,394)
Repayment of long term debt	(341)	(133)
Repayment of due from affiliates	-	(22)
Purchase and redemption of preference shares	-	(26)
	<u>470</u>	<u>(1,582)</u>
Increase (decrease) in cash and cash equivalents during period	246	(40)
Cash and cash equivalents – Beginning of period	<u>169</u>	<u>1,853</u>
Cash and cash equivalents – End of period	<u>415</u>	<u>1,813</u>
Supplemental cash flow information		
Interest paid	393	288
Income taxes paid	578	705

Opta Minerals Inc.

Consolidated Statements of Cash Flows
For the six month periods ended June 30, 2007 and 2006
(Expressed in thousands of U.S. dollars)
(Unaudited)

	2007	2006
	\$	\$
Cash provided by (used in)		
Operating activities		
Net earnings for the period	1,855	1,846
Items not affecting cash		
Amortization of property, plant and equipment	903	767
Amortization of intangible assets	586	363
Amortization of deferred financing costs	-	49
Stock compensation expense	69	73
Future income taxes	(175)	211
Unrealized foreign exchange gain on long term debt	(303)	(93)
Net loss on disposal of property, plant and equipment	7	-
	<u>2,942</u>	<u>3,216</u>
Changes in non-cash working capital		
Accounts receivable	(1,416)	(1,149)
Inventories	(1,580)	2,005
Prepaid expenses and other current assets	653	(48)
Accounts payable and accrued liabilities	(573)	(44)
Income taxes payable	196	(121)
	<u>222</u>	<u>3,859</u>
Investing activities		
Acquisition of property, plant and equipment	(1,400)	(726)
Additional consideration paid on acquisitions	(24)	(29)
Proceeds on disposal of property, plant and equipment	18	-
Acquisition of company	-	(18,987)
	<u>(1,406)</u>	<u>(19,742)</u>
Financing Activities		
Deferred financing costs	-	(66)
Proceeds from issuance of common shares	46	14
Increase in bank indebtedness	942	6,216
Proceeds from long term debt	1,497	8,542
Repayment of long term debt	(1,740)	(482)
Repayment of due from affiliates	-	(8)
Purchase and redemption of preference shares	-	(26)
	<u>745</u>	<u>14,190</u>
Decrease in cash and cash equivalents during period	(439)	(1,693)
Cash and cash equivalents – Beginning of period	<u>854</u>	<u>3,506</u>
Cash and cash equivalents – End of period	<u>415</u>	<u>1,813</u>
Supplemental cash flow information		
Interest paid	954	519
Income taxes paid	975	778

Opta Minerals Inc.

Segmented Information

For the three months ended June 30, 2007

(Expressed in thousands of U.S. dollars)

(Unaudited)

For the three month period ended June 30, 2007

	Mill and foundry products and services \$	Abrasive manufacturing and distribution operations \$	Unallocated \$	Total \$
External revenue by market				
Canada	2,874	1,617	-	4,491
U.S.	9,040	4,685	-	13,725
Other	145	29	-	174
Total revenue from external customers	<u>12,059</u>	<u>6,331</u>	-	<u>18,390</u>
Segment net earnings before interest expense and income taxes	1,076	1,282	(310)	2,048
Interest expense on long term debt				265
Interest expense				119
Provision for income taxes				<u>514</u>
Net earnings				<u>1,150</u>
Total assets as at June 30, 2007	<u>41,596</u>	<u>34,016</u>	1,781	<u>77,393</u>
Amortization of property plant and equipment	<u>194</u>	<u>267</u>	5	<u>466</u>
Amortization of intangible assets	<u>270</u>	<u>12</u>	-	<u>282</u>
Goodwill and intangible assets as at March 31, 2007	<u>23,032</u>	<u>7,133</u>	-	<u>30,165</u>
Expenditures on property, plant and equipment	<u>186</u>	<u>404</u>	20	<u>610</u>

Opta Minerals Inc.

Segmented Information

For the six months ended June 30, 2007

(Expressed in thousands of U.S. dollars)

(Unaudited)

For the six month period ended June 30, 2007

	Mill and foundry products and services \$	Abrasive manufacturing and distribution operations \$	Unallocated \$	Total \$
External revenue by market				
Canada	5,405	2,771	-	8,176
U.S.	17,886	8,448	-	26,334
Other	314	29	-	343
Total revenue from external customers	<u>23,605</u>	<u>11,248</u>	-	<u>34,853</u>
Segment net earnings before interest expense and income taxes	2,441	2,017	(947)	3,511
Interest expense on long term debt				537
Interest expense				218
Provision for income taxes				<u>901</u>
Net earnings				<u>1,855</u>
Amortization of property plant and equipment	<u>371</u>	<u>523</u>	9	<u>903</u>
Amortization of intangible assets	<u>562</u>	<u>24</u>	-	<u>586</u>
Expenditures on property, plant and equipment	<u>408</u>	<u>969</u>	23	<u>1,400</u>

Opta Minerals Inc.

Segmented Information

For the three months ended June 30, 2006

(Expressed in thousands of U.S. dollars)

(Unaudited)

For the three month period ended June 30, 2006

	Mill and Foundry Products and Services \$	Abrasive Manufacturing and distribution operations \$	Unallocated \$	Total \$
External revenue by market				
Canada	3,073	2,754	-	5,827
U.S.	8,108	4,063	-	12,171
Other	407	9	-	416
Total revenue from external customers	<u>11,588</u>	<u>6,826</u>	-	<u>18,414</u>
Segment net earnings before interest expense and income taxes	1,613	996	(31)	2,578
Interest expense on long term debt				277
Interest expense				127
Provision for income taxes				<u>729</u>
Net earnings				<u>1,445</u>
Total assets as at December 31, 2006	<u>40,521</u>	<u>34,421</u>	1,051	<u>73,993</u>
Amortization of property plant and equipment	<u>131</u>	<u>301</u>	-	<u>432</u>
Amortization of intangible assets	<u>218</u>	<u>15</u>	-	<u>233</u>
Goodwill and intangible assets as at December 31, 2006	<u>23,768</u>	<u>6,921</u>	-	<u>30,689</u>
Expenditures on property, plant and equipment	<u>194</u>	<u>226</u>	17	<u>437</u>

Opta Minerals Inc.

Segmented Information

For the six months ended June 30, 2006

(Expressed in thousands of U.S. dollars)

(Unaudited)

For the six month period ended June 30, 2006

	Mill and Foundry Products and Services \$	Abrasive Manufacturing and distribution operations \$	Unallocated \$	Total \$
External revenue by market				
Canada	5,584	4,868	-	10,452
U.S.	11,943	8,544	-	20,487
Other	543	16	-	559
Total revenue from external customers	<u>18,070</u>	<u>13,428</u>	-	<u>31,498</u>
Segment net earnings before interest expense and income taxes	2,298	1,930	(704)	3,524
Interest expense on long term debt				487
Interest expense				208
Provision for income taxes				<u>983</u>
Net earnings				<u>1,846</u>
Amortization of property plant and equipment	<u>176</u>	<u>591</u>	-	<u>767</u>
Amortization of intangible assets	<u>332</u>	<u>31</u>	-	<u>363</u>
Expenditures on property, plant and equipment	<u>334</u>	<u>375</u>	17	<u>726</u>