

## **Opta Minerals Inc. Reports Record Third Quarter Results for Fiscal 2006**

WATERDOWN, ONTARIO--(CCNMatthews – November 1, 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 record third quarter results for the three months ended September 30, 2006. All figures are in Canadian dollars and in accordance with Canadian Generally Accepted Accounting Principles (GAAP), except where otherwise noted.

### **Highlights:**

- Net Earnings increase of 112% over Q3 2005 results, and a 127% increase in earnings before interest, income taxes, depreciation and amortization (“EBITDA”).
- Positive cash flow from operating activities of \$3,934,000 versus a use of cash totaling \$(3,937,000) during Q3 2005.
- Acquisition of Bimac Corporation during October 2006. This profitable company generated approximately U.S. \$7.5 million of revenue in 2005, selling its proprietary tundish and ladle insulators, fluxes and conditioners to the steel industry in Canada and the U.S..

Opta Minerals reported record 2006 third quarter revenue of \$18.8 million, bringing year to date revenue to a record \$54.5 million or 70% higher than the \$32.0 million reported in 2005. Earnings before income taxes, interest and stock compensation expense for the quarter were \$2.3 million, bringing year to date earnings before income taxes, interest and stock compensation expense to \$6.4 million, a 62% increase as compared to \$3.9 million reported in 2005.

"Excluding the impact of foreign exchange, the Company's organic growth rate is 8% over Q3 2005. The strong results generated this quarter are 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 the prior year." said David Kruse, President and Chief Executive Officer.

Gross profit for the quarter increased 125% from \$2.2 million (21% of revenue) for the three months ended September 30, 2005 to \$4.9 million (26% of revenue) in 2006. On a year to date basis, gross profit increased 77% from \$7.5 million (24% of revenue) for the nine months ended September 30, 2005 to \$13.3 million (25% of revenue) in 2006. Had foreign exchange rates remained the same for the nine months ended September 2006 versus 2005, gross profits from heritage businesses would be approximately \$358,000 higher.

Net earnings for the third quarter were \$1,155,000 or \$0.07 per diluted common share, an increase of 112% from \$546,000 or \$0.03 per diluted common share in 2005. Year to date earnings are \$3,236,000 or \$0.19 per diluted common share, an increase of 84% from \$1,762,000 or \$0.11 per diluted common share in 2005. Year to date results for the nine months ended September 30, 2006 include \$701,000 in amortization of intangible assets that are primarily the result of the Magtech acquisition.

The Company continues to maintain a strong balance sheet, with working capital of \$14.7 million and total assets of \$75.6 million. The debt to equity ratio as at September 30, 2006 was 0.58 to 1.00. The Company has cash resources of \$3.0 million and has available credit facilities of a further \$11.6 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.

Opta Mineral's President and CEO, David Kruse, plans to host a conference call at 10:00 AM Eastern Standard Time on Friday, November 3, 2006, to discuss quarterly 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 (719) 457-2646 or (800) 946-0720 followed by pass code: 4459243. If you are unable to listen live, the conference call will be archived and can be accessed at the following replay numbers between November 3<sup>rd</sup> and November 9<sup>th</sup> with the toll free dial-in number (888) 203-1112 or (719) 457-0820 followed by pass code: 4459243.

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, 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 dominant North American suppliers of silica-free loose abrasives and 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.**

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](http://www.optaminerals.com)

## 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 September 30	
	2006 \$	2005 \$
<b>Net Earnings for the Period</b>	1,155	546
Interest Expense	449	115
Provision for Income taxes	635	318
Depreciation and Amortisation	825	370
<b>EBITDA<sup>1</sup></b>	<b>3,064</b>	<b>1,349</b>
Add (subtract):		
Depreciation and Amortisation	(825)	(370)
Stock Compensation Expense	69	22
<b>Earnings before income taxes, interest and stock compensation expense<sup>2</sup></b>	<b>2,308</b>	<b>1,001</b>

## 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, amortization of intangibles, other income and foreign exchange. The Company believes that earnings before income taxes, interest 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 months ended September 30, 2006 and 2005

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

(Unaudited)

	2006 \$	2005 \$
<b>Revenue</b>	18,771	10,231
<b>Cost of goods sold</b>	<u>13,825</u>	<u>8,034</u>
<b>Gross profit</b>	4,946	2,197
<b>Selling, general and administrative expenses</b>	<u>2,338</u>	<u>1,262</u>
<b>Earnings before the following</b>	<u>2,608</u>	<u>935</u>
<b>Interest expense on long-term debt</b>	323	-
<b>Interest expense - net</b>	126	115
<b>Amortization of intangible assets</b>	290	11
<b>Stock compensation expense</b>	69	22
<b>Foreign exchange gain</b>	<u>10</u>	<u>(77)</u>
<b>Earnings before income taxes</b>	1,790	864
<b>Provision for income taxes</b>	<u>635</u>	<u>318</u>
<b>Net earnings for the period</b>	<u>1,155</u>	<u>546</u>
<b>Earnings per share for the period</b>		
Basic and diluted	0.07	0.03

## Opta Minerals Inc.

Consolidated Statements of Earnings

For the nine months ended September 30, 2006 and 2005

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

(Unaudited)

	<b>2006</b>	<b>2005</b>
	\$	\$
<b>Revenue</b>	54,483	31,967
<b>Cost of goods sold</b>	41,134	24,422
<b>Gross profit</b>	13,349	7,545
<b>Selling, general and administrative expenses</b>	6,494	3,709
<b>Earnings before the following</b>	6,855	3,836
<b>Interest expense on long-term debt</b>	875	-
<b>Interest expense - net</b>	362	347
<b>Amortization of intangible assets</b>	701	43
<b>Stock compensation expense</b>	153	454
<b>Foreign exchange gain</b>	(217)	(135)
<b>Earnings before income taxes</b>	4,981	3,127
<b>Provision for income taxes</b>	1,745	1,365
<b>Net earnings for the period</b>	3,236	1,762
<b>Earnings per share for the period</b>		
Basic and diluted	0.19	0.11

# Opta Minerals Inc.

## Consolidated Balance Sheets

As at September 30, 2006 and December 31, 2005

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

(Unaudited)

	<b>September 30, 2006</b>	<b>December 31, 2005</b>
	\$	\$
	(unaudited)	
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	3,001	4,077
Accounts receivable	9,403	6,365
Inventories	14,184	15,238
Prepaid expenses and other current assets	1,827	507
Due from Affiliates	39	29
	<u>28,454</u>	<u>26,216</u>
<b>Property, plant and equipment – net</b>	17,379	13,003
<b>Intangible and other assets - net</b>	20,611	613
<b>Goodwill</b>	8,460	7,611
<b>Future income taxes</b>	725	636
	<u>75,629</u>	<u>48,079</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Bank indebtedness	4,832	-
Accounts payable and accrued liabilities	5,959	3,924
Current portion of long-term debt	2,893	1,010
Current portion of preference shares	46	77
Income taxes payable	54	10
	<u>13,784</u>	<u>5,021</u>
<b>Long-term debt</b>	14,097	7,005
<b>Future income taxes</b>	10,063	657
	<u>37,944</u>	<u>12,683</u>
<b>Shareholder's Equity</b>		
<b>Capital stock</b>		
Authorized: Unlimited number of common shares and preference shares without par value		
Issued		
16,961,563 (December 31, 2005 – 16,952,574) common shares	18,278	18,250
<b>Contributed surplus</b>	1,390	1,237
<b>Retained earnings</b>	20,943	17,707
<b>Currency Translation Adjustment</b>	(2,926)	(1,798)
	<u>37,685</u>	<u>35,396</u>
	<u>75,629</u>	<u>48,079</u>

## Opta Minerals Inc.

### Segmented Information

For the three months ended September 30, 2006

(Expressed in thousands of Canadian dollars)

(Unaudited)

### For the three month period ended September 30, 2006

	<b>Mill and foundry products and services \$</b>	<b>Abrasive manufacturing and distribution operations \$</b>	<b>St. Bruno de Guigues quarry operations \$</b>	<b>Total \$</b>
External revenue by market				
Canada	3,144	1,967	268	5,379
U.S.	8,548	4,625	2	13,175
Other	208	-	9	217
Total revenue from external customers	<u>11,900</u>	<u>6,592</u>	<u>279</u>	<u>18,771</u>
Segment net earnings before interest expense and income taxes	1,380	856	3	2,239
Interest expense on long-term debt				323
Interest expense - net				126
Provision for income taxes				<u>635</u>
Net earnings				<u>1,155</u>
Total assets as at September 30, 2006	<u>38,019</u>	<u>35,002</u>	<u>2,608</u>	<u>75,629</u>
Amortization of property plant and equipment	<u>231</u>	<u>266</u>	<u>38</u>	<u>535</u>
Amortization of intangible assets	<u>277</u>	<u>13</u>	<u>-</u>	<u>290</u>
Goodwill and intangible assets as at September 30, 2006	<u>21,044</u>	<u>8,027</u>	<u>-</u>	<u>29,071</u>
Expenditures on property, plant and equipment	<u>200</u>	<u>148</u>	<u>-</u>	<u>348</u>

## Opta Minerals Inc.

### Segmented Information

For the nine months ended September 30, 2006

(Expressed in thousands of Canadian dollars)

(Unaudited)

For the nine month period ended September 30, 2006

	Mill and foundry products and services \$	Abrasive manufacturing and distribution operations \$	St. Bruno de Guigues quarry operations \$	Total \$
External revenue by market				
Canada	9,482	6,801	956	17,239
U.S.	22,052	14,251	92	36,395
Other	812	23	14	849
Total revenue from external customers	<u>32,346</u>	<u>21,075</u>	<u>1,062</u>	<u>54,483</u>
Segment net earnings before interest expense and income taxes	3,835	2,303	80	6,218
Interest expense on long-term debt				875
Interest expense - net				362
Provision for income taxes				<u>1,745</u>
Net earnings				<u>3,236</u>
Amortization of property plant and equipment	<u>431</u>	<u>874</u>	<u>111</u>	<u>1,416</u>
Amortization of intangible assets	<u>653</u>	<u>48</u>	<u>-</u>	<u>701</u>
Expenditures on property, plant and equipment	<u>575</u>	<u>563</u>	<u>20</u>	<u>1,158</u>
Expenditures on goodwill	<u>993</u>	<u>-</u>	<u>-</u>	<u>993</u>

## Opta Minerals Inc.

### Segmented Information

For the three months ended September 30, 2005

(Expressed in thousands of Canadian dollars)

(Unaudited)

For the three month period ended September 30, 2005

	Mill and foundry products and services \$	Abrasive manufacturing and distribution operations \$	St. Bruno de Guigues quarry operations \$	Total \$
External revenue by market				
Canada	2,525	2,684	381	5,590
U.S.	270	4,221	80	4,571
Other	-	68	2	70
Total revenue from external customers	<u>2,795</u>	<u>6,973</u>	<u>463</u>	<u>10,231</u>
Segment net earnings before interest expense and income taxes	115	747	117	979
Interest expense - net				115
Provision for income taxes				<u>318</u>
Net earnings				<u>546</u>
Total assets as at December 31, 2005	<u>1,919</u>	<u>42,998</u>	<u>3,162</u>	<u>48,079</u>
Amortization of property plant and equipment	<u>8</u>	<u>298</u>	<u>42</u>	<u>348</u>
Amortization of intangible assets	<u>-</u>	<u>22</u>	<u>-</u>	<u>22</u>
Goodwill and intangible assets as at December 31, 2005	<u>-</u>	<u>8,224</u>	<u>-</u>	<u>8,224</u>
Expenditures on property, plant and equipment	<u>131</u>	<u>846</u>	<u>-</u>	<u>977</u>

**Opta Minerals Inc.**

Segmented Information

For the nine months ended September 30, 2005

(Expressed in thousands of Canadian dollars)

(Unaudited)

**For the nine month period ended September 30, 2005**

	<b>Mill and foundry products and services \$</b>	<b>Abrasive manufacturing and distribution operations \$</b>	<b>St. Bruno de Guigues quarry operations \$</b>	<b>Total \$</b>
External revenue by market				
Canada	5,285	11,134	1,201	17,620
U.S.	361	13,626	225	14,212
Other	-	133	2	135
Total revenue from external customers	<u>5,646</u>	<u>24,893</u>	<u>1,428</u>	<u>31,967</u>
Segment net earnings before interest expense and income taxes	341	2,964	169	3,474
Interest expense - net				347
Provision for income taxes				<u>1,365</u>
Net earnings				<u>1,762</u>
Amortization of property plant and equipment	<u>25</u>	<u>873</u>	<u>127</u>	<u>1,025</u>
Amortization of intangible assets	<u>-</u>	<u>43</u>	<u>-</u>	<u>43</u>
Expenditures on property, plant and equipment	<u>217</u>	<u>1,719</u>	<u>88</u>	<u>2,024</u>