

April 28, 2008

Sprott's Timminco dealings openly questioned

Three articles were published last week that discuss Sprott Asset Management Inc.'s dealings in Timminco Limited's stock and their affect on the proposed Sprott IPO.

The Toronto Star was the latest to publish. Its report was authored by independent market analyst Bill Carrigan. The Toronto Star referred to Barron's article on Timminco as "negative and well researched." Mr. Carrigan summarized the Barron's article as stating that Timminco's invention "existed only on PowerPoint slides." He also writes about Eric Sprott's "big Timminco holding." And concludes "I have no desire for any exposure to the stock (Timminco), either directly or indirectly, through the Sprott IPO."

Andrew Willis of the Globe and Mail alleges "strong investor support" of Sprott's IPO in his article. The Globe noted that Sprott owns 19 percent of Timminco but failed to translate that figure into a percentage showing how material Sprott's Timminco holding is to its total assets under management and their 2007 revenues.

The Financial Post story did explore Timminco's significant impact on Sprott's 2007 revenues and IPO prospects.

In his April 24th article, "Timminco's plunge painful for Sprott," Barry Critchley states that Sprott's Timminco holding at its peak was worth about "8% of the \$6.9 billion in assets that [Sprott] manages [collectively]."

Sprott's gains on Timminco contributed to more than 25% of all investment returns for Sprott's assets in 2007, according to the recent article in Barron's.

The Financial Post's final conclusion was "Timminco, one of its [Sprott] biggest winners, may turn out to be a dead weight."

In recent days, multiple media outlets have published information and raised issues helpful to investors about Timminco and Sprott's Timminco dealings.

Meanwhile, the Globe and Mail continues to exalt Eric Sprott's public legacy without investigation or criticism and omit matters of substance being addressed by Reuters, Dow Jones, Bloomberg, Barron's, The Toronto Star and the Financial Post. Instead the Globe fabricated a story about Timminco's short sellers claiming that they, who are fully independent and completely uninvolved in Sprott's Timminco dealings and Timminco's claims or Sprott's IPO, are a part of the story.

The Globe has published a bibliography full of articles related to Sprott and his upcoming IPO. On February 21st, the Globe published a lengthy feature profile, "Inside Sprott," on Eric Sprott and his "amazingly successful" fund. That was followed by "A knack for picking the winner" on April 8th with the introductory line "Eric Sprott is a Guinness Book of Records unto himself." The Globe then called Sprott a "guru" and Timminco his "market darling" on April 21st in "From h stock to target."

The Globe and Mail now appears conflicted in its coverage of Eric Sprott's Timminco deal and, as a result of this apparent conflict, Timminco. Unfortunately this conflict is preventing its Canadian readers from getting the benefits of its reporting resources.

No reporting has yet to disclose whether Sprott purchased any of its Timminco shares before, or what part of its holdings it bought soon after, Timminco's March 15, 2007 announcement. This March 15th press release launched Timminco's astronomical, and unproven, technology and potential earnings claims.

With the attached coverage of Sprott's IPO appears the Globe has yet to diverge from its conflicted point of view.

[Click here](http://www.asensio.com/data/press/309.pdf) to read The Globe and Mail April 24, 2008 article titled "Sprott IPO steams ahead" by Andrew Willis.

[Click here](http://www.asensio.com/data/press/308.pdf) to read the Financial Post April 24, 2008 article titled "Timminco's plunge painful for Sprott" by Barry Critchley.