

May 01, 2008

Sprott IPO will close despite Timminco-fueled results.

Despite unanswered questions about Sprott Asset Management's dealings in Timminco Limited's stock, the SAM offering will close this coming Friday.

SAM's Timminco dealings made an outsized impact on SAM's 2007 revenues and fund performance.

SAM management will be selling all the stock in the offering. None of the proceeds will go the company. Thus the SAM offering could fairly be viewed as similar to Safeguard International Fund's Timminco-backed stock sales.

Investors in SAM's funds are buying into its Timminco holdings at prices used to calculate its net asset value not that the \$6 average per share cost being discussed on SAM's road show.

Timminco's fans believe that the company has built an economically viable silicon purification plant at less than one tenth the industry leaders' cost in less than a tenth of the time.