

May 21, 2008

## *Has Eric Sprott gone beyond “deny and defend?”*

Eric Sprott’s Timminco Limited (TSX: TIM C\$27.50) dealings have received considerable media attention. Mr. Sprott is the largest known beneficiary of Timminco’s stock promotion, which is based in outlandish and unproven claims that experts have questioned. Faced with questions and opposition Mr. Sprott elected to adopt an aggressive “deny and defend” strategy.

Mr. Sprott and others have thus far been extremely successful using Timminco’s Photon Consulting “operational review” to promote Timminco's stock. Yet a review of the Photon’s presentation, and its leader’s background, actually raises new questions about Timminco’s motives and intention and answers none. In fact, Photon Consulting’s findings have been called completely unrealistic and preposterously high as well as surprisingly suspect. ([here](http://asensio.com/Reports/ReportView.aspx?ReportId=864&CompanyId=161&CompanyName=Timminco+Limited)) And its leader’s lack of experience and knowledge, and his background, impinge his stated opinion about Timminco’s product. ([here](http://asensio.com/Reports/ReportView.aspx?ReportId=855&CompanyId=161&CompanyName=Timminco+Limited))

Most importantly, Photon Consulting failed to address the engineering questions at hand. ([here](http://asensio.com/Reports/ReportView.aspx?ReportId=859&CompanyId=161&CompanyName=Timminco+Limited)) These engineering questions caused Timminco’s stock to drop 48% in just 5 trading days between April 14th and April 28, 2008.

Timminco executed its Photon stock promotion after the above 5 day 48% stock drop. It worked. The result was a 95% increase in Timminco’s stock during Mr. Sprott’s IPO road show. Barron’s noted this coincidence in its May 19, 2008 article titled “[Timminco Holder’s IPO Is One to Avoid.](http://www.asensio.com/TIM/B51908.pdf)” This is hardly the first time that Mr. Sprott has gotten lucky with the timing of Timminco’s stock moves. ([here](http://asensio.com/Reports/ReportView.aspx?ReportId=846&CompanyId=161&CompanyName=Timminco+Limited)) to read a report on other timing coincidences between Mr. Sprott’s immediate economic interest and sharp short term increased in Timminco’s stock price.

It is important for investors to note that the above 95% increase during Mr. Sprott’s IPO road show came during a period when Timminco reported a loss and low capacity utilization, and when Q-Cells AG (XETRA:QCE 82.81E) moved away from its earlier Timminco statements. ([here](http://asensio.com/Reports/ReportView.aspx?ReportId=856&CompanyId=161&CompanyName=Timminco+Limited)) Yet for some currently unknown reason Timminco's stock appears to have thus far ignored these alarming developments.