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Stockwatch Reports Conflicting Stories on Timminco's Financing

An article published by Stockwatch.com on July 31st raises questions regarding Timminco Limited's (TSX: TIM \$23.00) financing for the planned expansion of its Becancour Silicon plant. In February Timminco announced its plan to spend \$65 million to expand the Becancour facility. The investment would reputedly take Becancour from 3,600 metric tons of production capacity to 14,400 metric tons by mid-2009.

Stockwatch points out that there are conflicting stories on how the \$65 million is being financed. AMG Advanced Metallurgical Group N.V. (AMS: AMG €50.27), Timminco's majority shareholder, has stated that the expansion will be "funded by capital raise." On the other hand, Timminco's first-quarter regulatory filings state that the expansion will be funded from "cash on hand, solar grade customer deposits, cash flow from operations and the company's credit facility." For the quarter ended March 31, Timminco's financial statements only show cash and marketable securities totalling \$11.3 million and available credit of \$8.6 million.

When the Stockwatch reporter wrote to Robert Dietrich, Timminco's CFO, to ask whether the expansion was fully funded as a result of the capital raised last year, Dietrich responded, "Yes." And that is all he bothered to write.

The Stockwatch article characterizes AMG's claims as "arguably false and misleading."

To read the Stockwatch.com article, click [here](http://www.asensio.com/TIM/SW73108.pdf).