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AMG's Timminco Promotional Claims Called "False and Misleading"

An article on Stockwatch.com published August 14th states that Timminco Limited's (TSX: TIM \$12.25) majority shareholder AMG Advanced Metallurgical Group N.V. made "false and misleading promotional claims" regarding Timminco's planned \$65 million capital expansion. (To read the Stockwatch article, click [here](http://www.asensio.com/TIM/SW81408.pdf))

Stockwatch previously questioned conflicting claims about the expansion in an article from July 31st (To read the July 31st article and asensio.com's associated report, click [here](http://www.asensio.com/Reports/ReportView.aspx?ReportId=899&CompanyId=161&CompanyName=Report)) AMG had publicly claimed that Timminco's capital expansion would be fully funded from its capital raise last year. Timminco, on the other hand, had claimed in regulatory filings that the expansion would be funded by "cash on hand, solar grade customer deposits, cash flow from operations and the company's credit facility."

In Timminco's second quarter earnings conference call, Timminco executives confirmed that the expansion would be funded primarily from customer deposits and the company's credit facilities, making AMG's claims "false and misleading."

The Stockwatch article also questions whether Timminco will be able to meet production demands for the customer deposits it is expecting to receive. Timminco is counting on \$61 million in customer deposits, representing 938.5 metric tons of solar-grade silicon at an average selling price of \$65 per kilogram. For the first six months of this year, Timminco only produced 321 metric tons.

Stockwatch lastly questions the financing for Timminco's installation of an ingoting furnace, which was mentioned in the conference call. A report by asensio.com from July 21st first addressed the question for the financing of the furnace (To read the asensio.com report, click [here](http://www.asensio.com/Reports/ReportView.aspx?ReportId=892&CompanyId=161&CompanyName=Report)) Stockwatch wrote to Timminco CEO Heinz Schimmelbusch and CFO Robert Dietrich asking about financing for the furnace, but "neither of the Timminco executives has replied."