

August 21, 2008

Sprott's Inconsistent Promotional Statements in Barron's

Eric Sprott, CEO of Sprott Asset Management, continued to promote Timminco Limited (TSX: TIM \$13.24) in an interview with Barron's published August 18th, following the recent sharp decline in Timminco's share price. To read the full Barron's interview, click [here](http://www.asensio.com/TIM/barrons_sprott.pdf).

Sprott told Barron's that he had not cut his Timminco position. He stated, "I'm still by far the largest holder, with 17%. One of our portfolio managers sold some of his shares, but a very small part."

According to an article in the Globe and Mail from August 13th one of Sprott's fund managers, Jean-Francois Tardif, had in fact cut his position by more than "a very small part." Timminco shares went from 4% of Tardif's portfolio to just 0.6%. The Globe and Mail also revealed that Tardif continued to promote Timminco on BNN, even after selling his Timminco shares. To read the Globe and Mail article, click [here](http://www.asensio.com/TIM/GlobeMail81308.pdf).

On August 14th, the Globe and Mail also revealed that Sprott has a history of investing in "overhyped" small-cap stocks and selling off his position just before the stocks plunge in value. Some of Sprott's past "overhyped" stocks have ended up declining more than 90%. To read the August 14th Globe and Mail article, click [here](http://www.asensio.com/TIM/GlobeMail81408.pdf).

Sprott also made a questionable statement to Barron's regarding Timminco's production numbers. Sprott stated: "Timminco produced 291 tons in the quarter, 70 of which were compromised." This statement conflicts with a statement made by Timminco CFO Robert Dietrich in Timminco's second quarter earnings conference call. Asked if solar-grade silicon production was "around 221 tons" (the amount shipped in the second quarter), Dietrich stated "Yes. Shipment and production were close to the same number."