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## *Timminco's New Spin to Institutional Investors: "Reverse Refinement"*

Timminco Limited (TSX: TIM \$14.50) is criticized in a September 25th article on Stockwatch.com for making more promotional statements at a conference for institutional investors.

At a CIBC World Markets conference held in Montreal on September 24th, Timminco CFO Robert Dietrich seemed to imply that Timminco's process of creating lower purity 5N silicon is equivalent to the higher purity polysilicon created through the Siemens process. Dietrich said that boron and phosphorous have to be added to high-purity polysilicon to produce solar cells – what the presentation refers to as "reverse refinement." Dietrich implied Timminco's product, which has higher levels of boron and phosphorous impurities, is equivalent to the 'reverse refined' polysilicon.

Dietrich stated, "...extremely pure silicon doesn't conduct electricity, so people that make ingots and wafers... have to add impurities into that super-pure silicon in order to use it in solar cells.... And so they basically degrade the product after they refine it." Dietrich went on to state that "Our process, which is rooted in metallurgy, does the exact opposite. We make the silicon good enough to make solar panels and that's where we stop and that's where our process stops."

The slide from the Timminco presentation shows the Timminco process and the doping of polysilicon leading to the same place: "Solar grade." Click [here](http://www.asensio.com/TIM/TIM_CIBC.pdf) to see the Timminco presentation.

To equate upgraded metallurgical silicon with 5N purity and 7N-purity polysilicon that has gone through the doping process is misleading and erroneous. When polysilicon goes through the doping process of having boron and phosphorous added to produce a solar cell, the boron and phosphorous are more controlled than what is directly produced in 5N upgraded metallurgical silicon.

As discussed in the Stockwatch article, a PiperJaffray report on Q-Cells AG, Timminco's largest customer, states that solar cell efficiency falls when silicon with a purity level of less than 7N (99.99999% pure) is used. PiperJaffray notes the downside risk for Q-Cells in using metallurgical grade silicon to produce solar cells with lower efficiency and higher degradation rates.

Despite this, Dietrich promoted the supposed cost advantages of Timminco's UMG over polysilicon: "...we have a much lower capital investment in our process, much lower production costs and we have the ability to ramp production and build facilities much more quickly than you can with a polysilicon plant."

A Veritas research report issued on August 20th gives an estimate that the true economic costs of Timminco's product is \$57 per kilogram, while Timminco claims that it can produce material at a cost of \$10 to \$15 per kilogram.

To read the full Stockwatch article, click [here](http://www.asensio.com/TIM/SW92508.pdf).