

REUTERS

Timminco says consultant lauds its technology

Thu May 8, 2008 1:37pm EDT

By Cameron French

TORONTO (Reuters) - Shares of Timminco Ltd (TIM.TO: [Quote](#)) spiked in heavy volume on Thursday after the silicon processor said an outside consultant had declared its technology low-cost and holding the possibility to "reshape the silicon industry."

The Canadian company was the strongest stock on the Toronto Stock Exchange last year, but has in recent weeks faced questions about the commercial viability of its technology for purifying silicon for solar cells.

Timminco said it had commissioned an operational report from solar power consultant PHOTON. It said PHOTON had been given full access to its solar grade silicon production facility and to its accounting procedures.

According to Timminco, PHOTON managing director Michael Rogol said the company's processes have "potential for massive growth and, possibly, for reshaping the silicon industry."

The company's stock fell hard in April after an article in Barron's questioned the firm's technology. Timminco's assertions that it can purify metallurgical grade silicon in a cost-efficient way were also challenged by well-known Wall Street short seller Manuel Asensio.

Since then, the stock has been volatile, but has regained much of the ground it lost in April.

On Thursday, the shares initially jumped by nearly 12 percent when the stock resumed trading after the release. However, the stock then retrenched, and about 35 minutes into trading, it was up 40 Canadian cents, or 1.7 percent at C\$24.10.

More than 5 million shares changed hands.

Timminco chief financial officer Robert Dietrich said the company commissioned the report due to heightened interest from potential customers about its technology, some of which was due, he said, to the additional media interest in the company in recent weeks.

"We're attracting all kinds of different customers with different propositions, and it's getting to the point where everybody has these questions," he told Reuters.

"It's not to say there's anything imminent."

The company's stock rose from 30 Canadian cents to C\$21.95 last year as it announced commercial contracts while the price of silicon soared.

(\$1=\$1.01 Canadian)

(Reporting by Cameron French; Editing by Peter Galloway)