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Globe and Mail Reveals Sprott's Involvement with Many "Overhyped" Stocks

Sprott Asset Management was the second largest holder of Timminco Limited's (TSX: TIM \$14.51) stock during 2007, when the share price increased 73-fold. As disclosed in an article from today's Globe and Mail, Eric Sprott defended Timminco against those who questioned the validity of its claims. Sprott's defense helped Timminco's shares rise from about \$19 in April to a high of \$34.50 in June.

The Globe and Mail reveals that one fund manager at Sprott, Jean-Francois Tardif, sold the Timminco shares his fund owned between May and July. On July 15th, however, Tardif appeared on the Business News Network and stated the stock "could easily go to \$50 or \$100 a share." In fact, Timminco's stock fell by nearly 40% from July 15th to August 13th, the largest drop occurring after Timminco released second quarter earnings on August 11th.

The Globe and Mail reveals that "time and again Mr. Sprott and the firm have managed to escape from an investment in an overhyped small-cap stock with little harm to their reputation or performance." Sprott's past "overhyped" investments include Ceramic Protection, Taser International, Bennet Environmental, and Nautilus. It would seem Sprott's investment strategy may have more to do with promotion, rather than sound fundamental valuation.

To read the Globe and Mail article, click [here](http://www.asensio.com/TIM/GlobeMail81408.pdf).