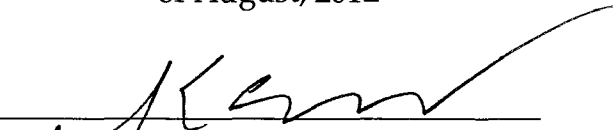


Tab D

This is Exhibit "D"
to the affidavit of Sean Dunphy,
sworn before me on the 23rd day
of August, 2012



Commissioner for Taking Affidavits

Court File No. CV-12-9539-00CL

**Timminco Limited
Bécancour Silicon Inc.**

FOURTH REPORT OF THE MONITOR

March 7, 2012

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
TIMMINCO LIMITED AND BÉCANCOUR SILICON INC.

**FOURTH REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS MONITOR**

INTRODUCTION

1. On January 3, 2012, Timminco Limited (“**Timminco**”) and Bécancour Silicon Inc. (“**BSI**”, together with Timminco, the “**Timminco Entities**”) made an application under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) and an initial order (the “**Initial Order**”) was made by the Honourable Mr. Justice Morawetz of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), granting, *inter alia*, a stay of proceedings against the Applicants until February 2, 2012, (the “**Stay Period**”) and appointing FTI Consulting Canada Inc. as monitor of the Applicants (the “**Monitor**”). The proceedings commenced by the Applicants under the CCAA will be referred to herein as the “**CCAA Proceedings**”.
2. Pursuant to the Order of the Honourable Mr. Justice Morawetz dated January 16, 2012, the Administration Charge, the KERP Charge and the D&O Charge were granted priority over all Encumbrances including, without limitation, any deemed trust created by the Ontario *Pension Benefits Act* or the Quebec *Supplemental Pension Plans Act* (the “**January 16 Order**”).

3. Pursuant to the Order of the Honourable Mr. Justice Morawetz dated January 27, 2012, the Stay Period was extended to April 30, 2012.
4. Pursuant to the Order of the Honourable Mr. Justice Morawetz dated February 8, 2012, the DIP Facility of US\$4,250,000 pursuant to the DIP Agreement and the DIP Lender's Charge were approved (the "**February 8 Order**").
5. To date, the Monitor has filed reports on various matters relating to the CCAA Proceedings. The purpose of this, the Monitor's Fourth Report, is to inform the Court on the following:
 - (a) The independent opinion on the validity of the security held by Investissement Quebec ("**IQ**") prepared by counsel to the Monitor (the "**Security Opinion**");
 - (b) Notices of Motion for Leave to Appeal the January 16 Order and the February 8 Order served by the CEP on February 23, 2012 and by the USW on February 24, 2012 (collectively, the "**Union Leave to Appeal Motions**");
 - (c) The receipts and disbursements of the Timminco Entities for the period from January 14 to February 24, 2012;
 - (d) The Timminco Entities' revised cash flow forecast for the period February 25 to June 29, 2012 (the "**February 28 Forecast**");
 - (e) The notice received from the DIP Lender on March 2, 2012 alleging that the Timminco Entities were in breach of the DIP Agreement (the "**March 2 DIP Notice**");

- (f) The execution by the Timminco Entities of an asset purchase agreement between the Timminco Entities as Vendors, QSI Partners Ltd. as Purchaser and Globe Specialty Metals, Inc. as Guarantor dated as of March 1, 2012 for the sale of certain assets of BSI (the “**Stalking Horse Agreement**”) which is intended to stand as a “stalking horse” in the Timminco Entities’ marketing process;
 - (g) The execution of the agreement dated March 2, 2012 amending the DIP Agreement (the “**DIP Amendment**”);
 - (h) The Timminco Entities’ request for granting of the Bidding Procedures Order as defined in the Stalking Horse Agreement and the Monitor’s recommendation thereon; and
 - (i) The Timminco Entities request for an Order authorizing Timminco to postpone the annual meeting of shareholders for the duration of the Stay Period and the Monitor’s recommendation thereon.
6. In preparing this report, the Monitor has relied upon unaudited financial information of the Applicants, the Applicants’ books and records, certain financial information prepared by the Applicants and discussions with the Applicants’ management. The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information. Accordingly, the Monitor expresses no opinion or other form of assurance on the information contained in this report or relied on in its preparation. Future oriented financial information reported or relied on in preparing this report is based on management’s assumptions regarding future events; actual results may vary from forecast and such variations may be material.
7. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. Capitalized terms not otherwise defined herein have the meanings defined in the previous reports of the Monitor or in the Initial Order.

THE SECURITY OPINION

8. The Monitor's counsel has conducted a review of the security granted to IQ by BSI and the unsecured guarantee granted by Timminco of BSI's obligations to IQ and has delivered the Security Opinion to the Monitor setting out the results of its review. In summary, the Security Opinion, subject to standard qualifications and assumptions set out therein, opines that IQ's security is valid, legal and enforceable, as against a trustee in bankruptcy.
9. Specifically, the IQ Opinion opines on the validity, legality and enforceability of the following documents (collectively, the "**Documents**"):
 - (a) a Deed of Hypothec between the Borrower and IQ entered into on July 10, 2009 before Mtre. Marc Daigneault, Notary, under number 1307 of his minutes, which has been registered at the Land Registration Division of Nicolet (Nicolet 2) under number 16 368 865, at the Register of Personal and Movable Real Rights (the "**RPMRR**") under number 09-0420851-0001 (the "**2009 Deed of Hypothec**"); and
 - (b) a Deed of Hypothec between Québec Silicon General Partner Inc. and IQ entered into on October 29, 2010 and to which BSI intervened, before Mtre. Mona Golabi, Notary, under number 139 of her minutes, which has been registered at the Land Registration Division of Nicolet (Nicolet 2) under number 17 670 388, at the RPMRR under number 10-0763732-0001 (the "**2010 Deed of Hypothec**" and together with the 2009 Deed of Hypothec, the "**Deeds of Hypothec**"), that is QSLP holds legal title to the subject real property, while BSI holds beneficial title and its beneficial interest is subject to a hypothec in favour of IQ; and,
 - (c) a suretyship (guarantee) by Timminco Limited in favour of IQ dated July 10, 2009, which is unsecured;

10. The Security Opinion does not address the priority of the Deeds of Hypothec relative to other claims against the Borrower.
11. Subject to the assumptions and qualifications contained in the Security Opinion, Monitor's counsel opined that
 - (a) each Document constitutes a legal, valid and binding obligation of each of the Debtors party thereto, enforceable against a trustee in bankruptcy of each such Debtor in accordance with its terms;
 - (b) the 2009 Deed of Hypothec constitutes valid and effective hypothecs on the Hypothecated Property (*Biens hypothéqués*) (as therein defined) capable of being hypothecated under the Civil Code of Quebec (the "CCQ"), other than with respect to the mining lease and the rights relating or arising thereunder described in Appendix A of the 2009 Deed of Hypothec, the whole to the extent of the sum of CDN\$25,000,000, as principal hypothec, and CDN\$5,000,000, as additional hypothec, with interest thereon at the rate of 25% per annum, to and in favour of IQ, as security for the obligations described therein;
 - (c) the 2010 Deed of Hypothec constitutes valid and effective hypothecs on the Hypothecated Property (*Biens hypothéqués*) (as therein defined) capable of being hypothecated under the CCQ, the whole to the extent of the sum of CDN\$25,000,000, as principal hypothec, and CDN\$5,000,000, as additional hypothec, with interest thereon at the rate of 25% per annum, to and in favour of IQ, as security for the obligations described therein; and
 - (d) the Deeds of Hypothec are registered wheresoever currently required in the Province of Quebec to render opposable to third parties the hypothecs created therein.

THE UNION LEAVE TO APPEAL MOTIONS

12. As noted above the Union Leave to Appeal Motions were served by the CEP on February 23, 2012 and by the USW on February 24, 2012.
13. In each of its Notices of Motion for Leave to Appeal, the CEP asserts that the Court erred in its application of the doctrine of paramouncy as there was no legal or factual basis for the Court to invoke the doctrine of paramouncy to override valid and enforceable provincial legislation and that the Court made findings of fact that were not supported by the record.
14. In each of its Notices of Motion for Leave to Appeal, the USW asserts that the Court erred in invoking paramouncy and made its decision in reliance upon an inadequate factual record.
15. As at the date of this Report, no return date has yet been set for the hearing of the Union Leave to Appeal Motions.

RECEIPTS & DISBURSEMENTS FOR THE PERIOD TO MARCH 2, 2012

16. The Timminco Entities' actual cash flow on a consolidated basis for the period from January 14 to March 2, 2012, was approximately \$1.5 million better than the January 18 Forecast attached as Appendix C to the Monitor's Third Report, as summarized below:

	Forecast	Actual	Variance
	\$000	\$000	\$000
Receipts:			
Sales and receivables	8,157	8,416	259
Government receivables	0	922	922
Total Receipts	8,157	9,338	1,181
Disbursements:			
Materials	8,034	7,598	436
QSLP Obligation	0	0	0
Operating Expenses	2,623	1,766	857
DIP Interest and Fees	258	254	4
Other	0	315	(315)
Restructuring Expenses	978	1,620	(642)
Total Disbursements	11,893	11,553	340
Net Cash Flow	(3,736)	(2,215)	1,521
Opening Cash	3,251	3,251	0
Net Cash Flow	(3,736)	(2,215)	1,521
DIP Borrowings	750	750	0
Closing Cash	265	1,787	1,521

17. Explanations for the key variances in actual receipts and disbursements as compared to the January 18 Forecast are as follows:
- (a) The positive variance in sales and receivables is a permanent difference relating to higher than forecast sales to the key customer during the period;
 - (b) The positive variance in government receivables is a permanent variance that arises as a result of the collection of GST receivables that was not included in the January 18 Forecast as well as payments received from QSLP for payments made by BSI on QSLP's behalf;
 - (c) The positive variance in materials is a timing difference that will reverse in the following week as the materials purchased between February 28 and March 2 are invoiced and paid;

- (d) The positive variance in operating expenses is comprised of permanent variances totalling approximately \$457,000 in respect of costs that were either lower than forecast or not incurred and approximately \$400,000 in timing differences that are expected to reverse in future periods;
 - (e) The positive variance in other costs relates to expenses paid by BSI on behalf of QSLP;
 - (f) The negative variance in restructuring fees is a permanent difference.
18. The Timminco Entities estimate that as at March 2, 2012, there was approximately \$1.3 million in accrued post-filing liabilities, excluding legal and professional fees.

REVISED CASH FLOW FORECAST TO JUNE 29, 2012

19. The March 5 Forecast is attached hereto as Appendix A and is summarized below:

	\$000
Receipts:	
Sales and receivables	17,446
Government receivables	2,800
Total Receipts	20,246
Disbursements:	
Materials	17,749
Operating Expenses	4,375
DIP Fees & Interest	77
Restructuring Expenses	2,482
Total Disbursements	24,683
Net Cash Flow	(4,437)
Opening Cash	1,787
Net Cash Flow	(4,437)
DIP Advances	3,100
Closing Cash	450

20. There are no significant changes in the underlying assumptions in the March 5 Forecast as compared to the January 18 Forecast.

THE MARCH 2 DIP NOTICE

21. On March 3, 2012 the Timminco Entities issued a draw down certificate to the DIP Lender, which was copied to the Monitor, in accordance with the provisions of the DIP Agreement.
22. Following the issuance of the draw down certificate, on March 2, 2012, the DIP Lender, delivered the March 2 DIP Notice, a copy of which is attached hereto as Appendix B. The March 2 DIP Notice stated, among other things, that various conditions precedent to the making of DIP Advances were not satisfied, the Timminco Entities were not in compliance with the covenants under the DIP Agreement and that the DIP Lender had the right to declare an Event of Default but was not doing so and was not refusing to make a DIP Advance.
23. Based on discussions between the Monitor and the DIP Lender, the delivery of the March 2 DIP Notice and the statements made therein appeared to be as a result of a difference of opinion in relation to the interpretation of certain provisions of the DIP Agreement.
24. In order to ensure that the Monitor could make a DIP Advance on March 5, 2012 as requested by the Timminco Entities, the Monitor asked the DIP Lender to provide a waiver of the purported Events of Default, expressly on the basis that the Monitor does not agree that Events of Default had occurred, that the Timminco Entities had advised the Monitor that the Timminco Entities did not agree that Events of Default have occurred and that the request to provide such waiver was without prejudice to those positions. A waiver, a copy of which is attached hereto as Appendix C, was delivered by the DIP Lender on March 5, 2012.

25. In addition, the DIP Lender and the Timminco Entities have now resolved the apparent difference of opinion on the interpretation of the DIP Agreement and have agreed upon a common interpretation of the relevant provisions.

THE STALKING HORSE AGREEMENT

26. Capitalized terms used in this section of this Report are as defined in the Stalking Horse Agreement unless otherwise defined.
27. The Stalking Horse Agreement, a copy of which is attached hereto as Appendix D, was executed by the parties on March 2, 2012. The key provisions of the Stalking Horse Agreement are as follows:
- (a) The Purchased Assets are comprised of the Purchased Silicon Metal Assets and the Purchased Solar Grade Silicon Assets which together represent substantially all the assets of BSI other than the Silica Fumes Property, as defined in the affidavit of Mr. Peter Kalins sworn January 2, 2012 and filed in connection with the application under the CCAA. None of the assets of Timminco are within the definition of Purchased Assets;
 - (b) The Purchase Price is \$20,000,000 payable in cash plus the assumption by the Purchaser of the Assumed Obligations, subject to the adjustment, if any, in respect of the BSI Working Capital in accordance with Section 3.7 of the Stalking Horse Agreement;

- (c) The Stalking Horse Agreement provides for a deposit of 15% of the Closing Cash Purchase Price pursuant to the credit and set off arrangement contemplated under the DIP Amendment. The Deposit shall be credited and set off against outstanding amounts owing to the DIP Lender under the DIP Facility pursuant to the DIP Amendment in the event that Closing does not occur solely as a result of the failure by the Purchaser to perform any of its obligations under the Stalking Horse Agreement;
- (d) The Assumed Obligations are:
 - (i) all debts, liabilities and obligations under the Contracts (to the extent assigned or transferred to the Purchaser on Closing) for the period from and after the Closing Date and all Cure Costs (other than Post-Filing Costs);
 - (ii) all debts, liabilities and obligations for Transfer Taxes payable in connection with the Transaction;
 - (iii) all debts, liabilities and obligations for realty taxes in respect of the Purchased Assets attributable to the period from and after the Closing Date; and
 - (iv) all debts, liabilities and obligations arising from ownership and use of the Purchased Assets for the period from and after the Closing Date.

- (e) The Stalking Horse Agreement provides that the Purchaser shall be entitled to an expense reimbursement for the Purchaser's legal and other costs incurred in connection with the Stalking Horse Bid in the amount of C\$500,000 (the "Expense Reimbursement"), payable only by the Vendors to the Purchaser in the event that a Successful Bid other than the Stalking Horse Bid is accepted and the transaction contemplated thereby is completed. The payment of the Expense Reimbursement shall be approved in the Bidding Procedures Order and shall be made in priority to amounts secured by existing security other than amounts secured by the various charges approved by the Court in the Initial Order. The Expense Reimbursement shall be payable to the Purchaser out of the sale proceeds derived from and upon completion of the Successful Bid;
- (f) The Stalking Horse Agreement shall terminate at any time prior to the Closing Time upon the occurrence of any of the following:
 - (i) by mutual written agreement of the Vendors and the Purchaser;
 - (ii) if the Agreement is not the Successful Bid or the Back-Up Bid (as determined pursuant to the Bidding Procedures); or
 - (iii) if the Agreement is the Back-Up Bid and the transaction contemplated by the Successful Bid is closed.

28. The Stalking Horse Agreement is subject to a number of conditions. The obligation of the Purchaser to complete the Transaction is subject to the following conditions being fulfilled or performed:

- (a) all representations and warranties of the Vendors contained in the Stalking Horse Agreement shall be true in all material respects as of the Closing Time with the same effect as though made on and as of that date;
- (b) the Vendors shall have performed in all material respects each of their obligations under the Stalking Horse Agreement to the extent required to be performed at or before the Closing Time;
- (c) all stays of proceedings contained in the Initial Order shall have remained in effect as at the Closing Time except where any such stay is terminated or lifted or amended in a manner which is not prejudicial to the Purchaser or which does not adversely affect the Purchaser's rights under this Agreement or the Purchased Assets and the exercise of rights contained in the Initial Order has not been amended or modified in any manner prejudicial to the Purchaser as at the Closing Time;
- (d) each Consent and Approval including the DCC Consent, shall have been obtained as at the Closing Time or, in the absence of any such Consent and Approval, the Court shall have approved the Assignment Order in respect of such Consent and Approval and it shall not have been stayed, varied, vacated or appealed (or any such appeal shall have been dismissed with no further appeal therefrom) as at the Closing Time;
- (e) after the date of the Stalking Horse Agreement and before the Closing Time, there shall not have occurred any Material Adverse Change;

- (f) the April 30 Statement of QSLP Working Capital shall have been determined on or before May 15, 2012 in accordance with Section 3.9(d) or Section 3.9(e) and the QSLP Working Capital shown on the April 30 Statement by QSLP Working Capital shall not be less than \$7,500,000;
 - (g) BSI shall have delivered to the Purchaser evidence, reasonably satisfactory to the Purchaser, that the minimum aggregate amount of silicon metal that QSLP shall have produced and delivered to DCC at BSI's request in satisfaction of BSI's obligation to DCC in respect of the Shortfall shall be no less than the amount set forth in Schedule "I" to the Stalking Horse Agreement;
 - (h) if the Closing occurs after June 8, 2012, the Closing Date Statement of QSLP Working Capital shall have been determined in accordance with Section 3.10(d) or 3.10(e) and the QSLP Working Capital shown on the Closing Date Statement of QSLP Working Capital shall not be less than the Threshold Amount; and
 - (i) the Vendors shall deliver a certificate, in form and substance satisfactory to the Purchaser, acting reasonably, to the Purchaser certifying that all Post-Filing Costs and taxes payable in respect of the transactions contemplated under the HP2 Severance Transaction Documents in accordance with the valuation specified therein, that are due, have been paid or provided for, and for those incurred but not yet due, provided for.
29. The obligation of the Vendors to complete the Transaction is subject to the following conditions being fulfilled or performed:

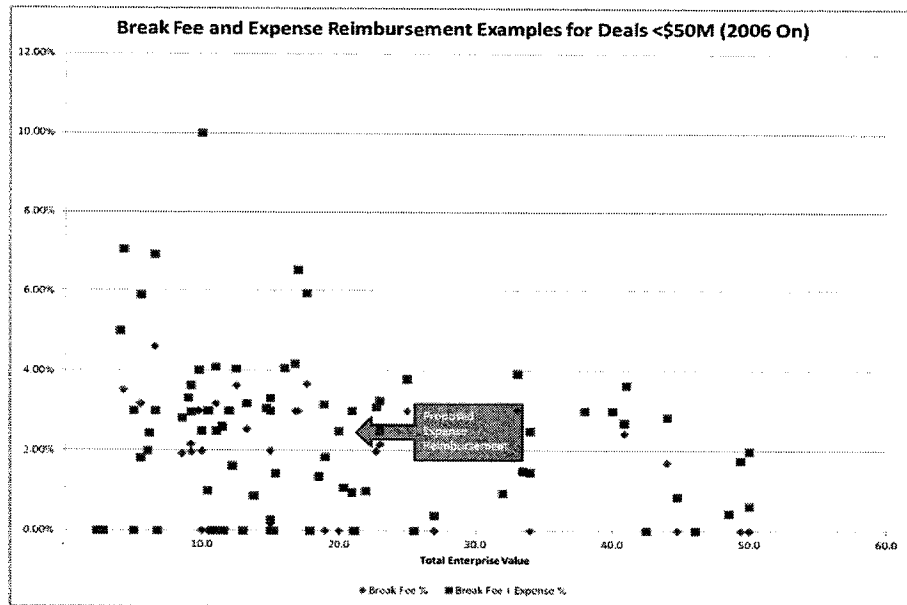
- (a) all representations and warranties of the Purchaser contained in the Stalking Horse Agreement shall be true in all material respects as of the Closing Time with the same effect as though made on and as of that date; and
 - (b) the Purchaser shall have performed in all material respects each of its obligations under the Stalking Horse Agreement to the extent required to be performed at or before the Closing Time.
30. The obligations of the Vendors and the Purchaser to complete the Transaction are subject to the following conditions being fulfilled or performed:
- (a) the Bidding Procedures Order shall have been obtained and shall not have been stayed, varied, vacated or appealed (or any such appeal shall have been dismissed with no further appeal therefrom);
 - (b) the Stalking Horse Agreement is the Successful Bid (for greater certainty, in accordance with the Bidding Procedures, to the extent any Portion Bid or an Aggregated Bid is the Successful Bid (each such capitalized term as defined in the Bidding Procedures), the Purchaser shall not be obliged to complete the Transaction or purchase any subset of assets or assume any subset of liabilities which are not covered by such Portion Bid or Aggregated Bid);
 - (c) the Approval and Vesting Order shall have been obtained and shall not have been stayed, varied, vacated or appealed (or any such appeal shall have been dismissed with no further appeal therefrom);
 - (d) no order shall have been issued by a Governmental Authority which restrains or prohibits the completion of the Transaction; and
 - (e) no motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction contemplated by this Agreement.

31. The Stalking Horse Agreement sets a “floor price” for the Purchased Assets. The Bidding Procedures, as discussed later in this Report, will provide for a fair and transparent marketing process that should allow the Timminco Entities to maximize realizations from the Purchased Assets by seeking superior offers for the Purchased Assets.

THE EXPENSE REIMBURSEMENT

32. As noted above, the Stalking Horse Agreement provides for the payment of the Expense Reimbursement of \$500,000 from the proceeds of sale from the closing of the Successful Bid in the event that the Stalking Horse Agreement is not the Successful Bid. The Expense Reimbursement equates to 2.5% of the Cash Purchase Price.
33. The Monitor has collected data for insolvency transactions in the period since 2006 with a purchase price of less than \$50 million where a break fee, and expense reimbursement or a break fee plus an expense reimbursement (collectively, “**Bid Protection Amounts**”) have been approved¹. Based on this data, Bid Protection Amounts range from 0.0% to 10.0% of price, with a mean of 2.3% and a median of 2.5%. The data obtained is attached in table form in Appendix E and is summarized in the following scatter-chart:

¹ Based on the information available to the Monitor; may not represent all such transactions in the period.



34. Based on the foregoing, the Expense Reimbursement appears to be within market parameters.

THE BIDDING PROCEDURES

35. Capitalized terms used in this section of this Report are as defined in the Bidding Procedures unless otherwise defined.
36. The Bidding Procedures, attached as Schedule D to the Stalking Horse Agreement, set the parameters of the marketing process pursuant to which the Timminco Entities will seek superior offers for the Purchased Assets and the requirements for the submission of offers by interested parties.

37. Since the commencement of the CCAA Proceedings, a number of interested parties have contacted the Monitor or the Timminco Entities expressing interest in the possible acquisition of Timminco Entities' assets. The Timminco Entities, with the assistance of the Monitor, have also compiled a list of additional logical potential interested parties that have or will be contacted to introduce the acquisition opportunity. In addition, advertising of the sales process will be placed in the Wall Street Journal and trade press, ensuring wide exposure for the marketing process.
38. The Bidding Procedures provide that a Phase I Bid, a non-binding expression of interest, must be submitted by the Phase I Bid Deadline of 10:00 a.m. (Eastern Time) on March 26, 2012 and that a Phase II Bid, a binding offer in the form of an executed mark-up of the Stalking Horse Agreement, must be submitted by the Phase II Bid Deadline of 10:00 a.m. (Eastern Time) on April 16, 2012. If there is one or more Qualified Phase II Bids at the Phase II Bid Deadline, an auction involving the Stalking Horse Bidder and the other Qualified Phase II Bidders will be held, commencing at 10:00 a.m. (Eastern Time) on April 24, 2012. Court approval of the Successful Bid will be sought at a hearing to take place within 28 days of the conclusion of the Auction.
39. A Qualified Phase II Bid must exceed the \$20 million Cash Purchase Price of the Stalking Horse Agreement by the Expense Reimbursement of \$500,000 plus \$250,000.

40. The Bidding Procedures also provide that any party which does not wish to purchase all or substantially all of the Stalking Horse Assets (a “**Portion Bidder**”) may submit a Bid (a “**Portion Bid**”) in respect of a smaller subset of such assets. Non-overlapping Portion Bids can be aggregated to compile a Qualified Phase II Bid. In addition, if a Qualified Phase II Bidder submits an investment bid involving a restructuring, recapitalization or restructuring that the Debtors, in consultation with the Monitor believe may result in greater value being received than the Qualified Phase II Bids, then the Debtors may consider such investment bid a Qualified Phase II Bid and allow such Qualified Phase II Bidder to participate in the Auction.
41. Requirements for the Timminco Entities to consult with the Monitor are included in the Bidding Procedures. The Bidding Procedures may be modified or amended only upon the express written consent of the Timminco Entities, after consultation with the Monitor, and, if such modification or amendment materially deviates from the Bidding Procedures, with the written consent of the Stalking Horse Bidder, or by order of the Court.
42. In the Monitor’s view, the Bidding Procedures are consistent with market practice, provide a reasonable opportunity for competing bidders to submit superior offers to the Stalking Horse Agreement and for the Timminco Entities to maximize realizations from the Purchased Assets and are reasonable and appropriate in the circumstances.

THE DIP AMENDMENT

43. The DIP Amendment, a copy of which is attached hereto as Appendix F, becomes effective on the granting of the Bidding Procedures Order and amends the DIP Agreement to:

- (a) Provide a mechanism for the set-off of the Deposit against the DIP Obligations if Closing of the Stalking Horse Agreement occurs or Closing does not occur solely as a result of the failure by the Purchaser to perform any of its obligations under the Purchase Agreement;
 - (b) Provide for draw requests to be in multiples of Cdn\$50,000 rather than US\$50,000, to align the draw request currency with the currency in which the Monitor is required to hold the funds; and
 - (c) Provide further specificity on the types of other financial information that may be requested by the DIP Lender.
44. In the Monitor's view, the DIP Amendment does not have any adverse impact on CCAA Proceedings, the Timminco Entities or their stakeholders.

REQUEST FOR THE BIDDING PROCEDURES ORDER

45. The Timminco Entities are seeking the granting of the Bidding Procedures Order in accordance with Section 7.1 of the Stalking Horse Agreement which states:

“The Parties acknowledge and agree that the Vendors shall apply to the Court by no later than March 12, 2012, for an order (the “Bidding Procedures Order”) recognizing this Agreement, and in particular the Purchase Price, as a baseline or “stalking horse bid” (the “Stalking Horse Bid”) and approving the Bidding Procedures, the payment of the Expense Reimbursement in the circumstances set out in Section 7.2, the entering into the DIP Amendment and the amendment of the DIP Order to conform to the terms of the DIP Amendment, and all Parties will use best efforts to have the Bidding Procedures Order issued. The Purchaser acknowledges and agrees that the Bidding Procedures are

in contemplation of determining whether a superior bid can be obtained for the Purchased Assets.”

46. The Monitor is of the view that the use of the Stalking Horse Agreement as a stalking horse in the marketing process will be beneficial in that it provides for a “floor price” for the Purchased Assets under a deal that can be closed in the event that there are no competing bids. The existence of the Stalking Horse Agreement also enables the marketing process to be stream-lined by having a template asset purchase agreement that has been fully negotiated that competing bidders will use as their bid document.
47. Bid protections in the form of an expense reimbursement or a break fee are customary provisions of a stalking horse agreement and recognize that the stalking horse bidder will have expended significant cost and resources on due diligence and negotiations and yet is allowing their deal to be subject to superior offers to the benefit of the insolvent estate. As noted earlier in this report, the Expense Reimbursement is, in the Monitor’s view, within market parameters and the Monitor considers it to be reasonable in the circumstances.
48. In the Monitor’s view, the timeline set out in the Bidding Procedures provides a reasonable opportunity for other bidders to submit competing offers for the assets subject to the Stalking Horse Agreement. Furthermore, the ability for interested parties to submit Portion Bids that the Timminco Entities can put together to form a Qualified Bid provides flexibility to interested parties by allowing them to bid on only those assets in which they are interested while ensuring that the Timminco Entities can maximize realizations. The Monitor is of the view that the Bidding Procedures are reasonable and appropriate in the circumstances.
49. Accordingly, the Monitor supports the Timminco Entities’ request for the Bidding Procedures Order authorizing the use of the Stalking Horse Agreement as the stalking horse in the marketing process and approving the Expense Reimbursement, the Bidding Procedures and the DIP Amendment.

POSTPONEMENT OF ANNUAL SHAREHOLDER MEETING

50. Timminco seeks authority to postpone the annual shareholder meeting for the duration of the Stay Period. The shares of Timminco, which formerly traded on the Toronto Stock Exchange, were delisted on February 6, 2012. Throughout the CCAA Proceedings, Timminco has continued to make public disclosure of material events through press releases and Court materials filed in the CCAA Proceedings, which materials are posted to the Monitor's website.
51. The Timminco Entities are of the opinion that work necessary in preparing for the annual meeting of shareholders, which Timminco is required to call by no later than June 30, 2012, would require significant resources and divert attention of senior management of Timminco away from the tasks necessary to complete the CCAA Proceedings. The Monitor concurs with the foregoing and sees no material prejudice to shareholders from the postponement of the annual meeting.
52. Accordingly, the Monitor supports the Timminco Entities' request for authority to postpone the annual meeting of shareholders.

The Monitor respectfully submits to the Court this, its Fourth Report.

Dated this 7th day of March, 2012.

FTI Consulting Canada Inc.
In its capacity as Monitor of
Timminco Limited and Bécancour Silicon Inc.



Nigel D. Meakin
Senior Managing Director



Toni Vanderlaan
Managing Director