

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

**Timminco Limited
Bécancour Silicon Inc.**

SEVENTH REPORT OF THE MONITOR

May 15, 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.

**SEVENTH 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. The Stay Period has been extended a number of times. Pursuant to the Order of the Honourable Mr. Justice Morawetz dated April 27, 2012, the Stay Period currently expires on June 20, 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. Pursuant to the Order of the Honourable Mr. Justice Morawetz granted March 9, 2012 (the "**Bidding Procedures Order**"), the Timminco Entities were authorized to enter into the Stalking Horse Agreement and the Bidding Procedures were approved, each as defined in the Monitor's Fourth Report.
6. The Monitor has filed reports on various matters relating to the CCAA Proceedings. The purpose of this, the Monitor's Seventh Report, is to inform the Court on the following:
 - (a) The receipts and disbursements of the Timminco Entities for the period from April 21 to May 4, 2012;
 - (b) The Timminco Entities' revised and extended cash flow forecast for the period May 5 to August 31, 2012 (the "**May 7 Forecast**");
 - (c) The results of the Auction carried out pursuant to the provisions of the Bidding Procedures Order;
 - (d) The Timminco Entities' request for approval of the Successful Bid comprised of:
 - (i) the asset purchase agreement dated April 25, 2012 between the Timminco Entities as vendors, QSI Partners Ltd. ("**QSI**") as purchaser and Globe Speciality Metals, Inc. as guarantor for the sale of certain assets of BSI (the "**QSI APA**"); and

(ii) the asset purchase agreement dated April 25, 2012 between the Timminco Entities as vendors and Ferroatlantica, S.A. (“**Ferro**”) as purchaser the sale of certain assets of BSI (the “**Ferro APA**”);

and the Monitor’s recommendation thereon;

- (e) The Timminco Entities’ request for approval of the DIP Amendment Agreement dated as of May 9, 2012 between the DIP Lender and the Timminco Entities which increases the Maximum Amount from \$4.25 million to \$6.75 million (the “**2nd DIP Amendment**”) and a consequent increase in the DIP Lender’s Charge to \$6.75 million and the Monitor’s recommendation thereon;
- (f) The Timminco Entities’ request for the Assignment Order as defined in the QSI APA;
- (g) Written questions put to the Monitor by counsel to DCC following service of the Timminco Entities’ motion for approval of the Successful Bid (the “**DCC Questions**”); and
- (h) The Monitor’s comments on certain statements made in the affidavit of Mr. Joe Rinaldi of DCC sworn May 14, 2012 filed in connection with the Timminco Entities’ motion for the approval of the QSI APA and the granting of the Assignment Order (the “**May 14 Rinaldi Affidavit**”).

7. 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.
8. 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, the Bidding Procedures Order or in the Initial Order.

RECEIPTS & DISBURSEMENTS FOR THE PERIOD TO MAY 4, 2012

9. The Timminco Entities' actual cash flow on a consolidated basis for the period from April 21 to May 4, 2012, was approximately \$1.2 million better than the April 25 Forecast attached as Appendix A to the Monitor's Sixth Report, as summarized below:

	Forecast	Actual	Variance
	\$000	\$000	\$000
Receipts:			
Sales and receivables	2,663	3,091	428
Government receivables	911	975	64
Total Receipts	3,574	4,066	492
Disbursements:			
Materials	1,879	1,642	237
QSLP Obligation	0	0	0
Operating Expenses	929	648	281
DIP Interest and Fees	169	23	146
Other	0	8	(8)
Restructuring Expenses	402	368	34
Total Disbursements	3,379	2,689	690
Net Cash Flow	196	1,377	1,182
Opening Cash	847	847	0
Net Cash Flow	196	1,377	1,182
DIP Borrowings	0	0	0
Closing Cash	1,043	2,224	1,182

10. Explanations for the key variances in actual receipts and disbursements as compared to the April 25 Forecast are as follows:

- (a) The positive variance in sales and receivables is a timing difference relating to collections occurring earlier than forecast;
- (b) The positive variance in government receivables is a permanent difference resulting from the completion of the government agency assessment process resulting in an increase in the amount of GST and QST recoverable;
- (c) The positive variance in materials is a timing difference which reversed in the following week;
- (d) The positive variance in operating expenses is primarily a timing variance that is expected to reverse in future periods;

- (e) The positive variance in DIP interest and fees arises as certain fees were not paid when forecast pending receipt and review of underlying documentation;
 - (f) The positive variance in restructuring fees is a permanent difference.
11. The Timminco Entities estimate that as at May 4, 2012, there was approximately \$0.9 million in accrued post-filing liabilities, excluding legal and professional fees. The Timminco Entities expect that these amounts will be paid in the normal course.

REVISED AND EXTENDED CASH FLOW FORECAST TO AUGUST 31, 2012

12. The May 7 Forecast is attached hereto as Appendix A and is summarized below:

	\$000
Receipts:	
Sales and receivables	15,371
Government receivables	3,049
Total Receipts	18,420
Disbursements:	
Materials	16,005
Operating Expenses	4,733
DIP Fees & Interest	244
Restructuring Expenses	2,184
Total Disbursements	23,166
Net Cash Flow	(4,746)
Opening Cash	2,224
Net Cash Flow	(4,746)
DIP Advances	800
Closing Cash	(1,722)
DIP Facility	4,250
Actual and Forecast Draws to August 31, 2012	4,250
Undrawn DIP Facility at August 31, 2012	-

13. There are no significant changes in the underlying assumptions in the May 7 Forecast as compared to the April 25 Forecast. The May 7 Forecast assumes that the Timminco Entities will successfully repudiate a contract with Sudamin Holding s.p.r.l. dated September 6, 2011 involving the supply of material in July and August.

THE RESULTS OF THE AUCTION

THE MARKETING PROCESS

14. In its Sixth Report, the Monitor provided details of the marketing process carried out in accordance with the Bidding Procedures Order, which details are repeated below for ease of reference:
 - (a) A list of logical potentially interested parties was compiled by the Timminco Entities' with the assistance of the Monitor;
 - (b) The acquisition opportunity was advertised in the national edition of the Wall Street Journal on March 8, 10, 13 and 14, 2012, and in two leading industry publications, American Metal Markets and Ryan's Notes. The opportunity was posted on the American Metal Market website for 30 days and was included in Ryan's Notes during the week of March 12, 2012. Parties that contacted the Monitor or the Timminco Entities as a result of the publications were added to the list of potentially interested parties;
 - (c) 75 parties were contacted about the opportunity, excluding the Stalking Horse Bidder. 23 parties executed non-disclosure agreements and were provided access to the Timminco Entities' electronic data room;

- (d) 12 Phase I Bids were received by the Phase I Bid Deadline. The Timminco Entities, in consultation with the Monitor, determined that all of the parties that submitted Phase I Bids were Qualified Phase I Bidders;
- (e) Qualified Phase I Bidders were provided the opportunity to visit the BSI and QSLP facilities, meet with management and, under the supervision of the Monitor or its counsel, meet with key stakeholders, including IQ (the senior secured creditor of BSI), the CEP (BSI's union) and DCC (BSI's joint venture partner in QSLP);
- (f) Four Qualified Phase I Bidders submitted bids by the Phase II Bid Deadline, as extended to April 19, 2012 with the consent of the Stalking Horse Bidder. The Timminco Entities, in consultation with the Monitor, determined that three of these were Qualified Phase II Bids;
- (g) As at least one Qualified Phase II Bid was received prior to the Phase II Bid Deadline, the Auction was commenced pursuant to the Bid Procedures Order at 10:00 a.m. April 24, 2012. Four Qualified Phase II Bidders, including the Stalking Horse Bidder, participated in the Auction.

STAKEHOLDER MEETINGS

15. Qualified Phase I Bidders were provided the opportunity to meet with IQ, the CEP and DCC prior to the Phase II Bid Deadline. Qualified Phase II Bidders were provided the opportunity for further meetings and discussions prior to the Auction. A representative of the Monitor was required to be present for all such meetings and discussions. Five Qualified Phase I Bidders had discussions with IQ, six held discussions with the CEP and five with DCC.

16. On April 18, 2012, the Monitor received a letter from counsel to the CEP (the “**CEP Letter**”), a copy of which is attached hereto as Appendix B, requesting:
 - (a) That the CEP be provided with information on each Qualified Phase II Bid as it relates to the assumption of the CEP’s collective bargaining agreements and liabilities that flow therefrom and to any conditions relating to the assumption of those liabilities including conditions related to securing amendments to the applicable collective bargaining agreements;
 - (b) That the Monitor notify all interested bidders that the CEP was prepared to immediately entered into discussions with respect to amendments to the collective bargaining agreements in order to address the conditionality noted in (a) above.

17. The Monitor discussed the CEP’s request with the Timminco Entities. The Monitor and the Timminco Entities determined that it could be prejudicial to the integrity of the marketing process to provide the details of Qualified Phase II Bids that had been requested and informed the CEP that it was therefore not prepared to do so. Each of the Qualified Phase II Bidders was provided with a copy of the CEP Letter on April 20, 2012 in order to apprise them of the CEP’s willingness to enter into negotiations.

18. Two Qualified Phase II Bidders had further discussions with the CEP following its invitation to negotiate, one of which undertook extensive negotiation sessions over the course of several days at the Montreal offices of counsel to the Monitor, with a representative of the Monitor present as an observer during those negotiating sessions.

19. The CEP also requested that the Monitor provide details of the treatment of the BSI employee pension plans (the “**Pension Plans**”) and post-retirement benefit plans (the “**PRB Plans**” and together with the Pension Plans, the “**Employee Retirement Plans**”) in the Phase II Bids and inform it as to whether any Phase II Bid that provided for the assumption of Employee Retirement Plans was excluded from the Auction.
20. In that regard, the Monitor reports that of the four Phase II Bids submitted by the Phase II Bid Deadline, three did not include the assumption of any Employee Retirement Plan. Similarly, the Stalking Horse Bid did not include the assumption of any Employee Retirement Plan. One of the Phase II Bids submitted by the Phase II Bid Deadline provided for the assumption of the Pension Plans, but not the PRB Plans; that bid contained a number of conditions to closing, including the amendment of the CEP collective bargaining agreement to which QSLP is a party. This bid was designated as a Qualified Phase II Bid. No bid that provided for the assumption of Employee Retirement Plans was excluded from the Auction.

THE AUCTION

21. A copy of the Opening Bid and a black-line comparison of the Opening Bid to the Stalking Horse Agreement were distributed to Qualified Phase II Bidders on April 20, 2012 in advance of the Auction.
22. In accordance with the Bidding Procedures Order, the Auction commenced at 10:00 a.m. on April 24, 2012 at the offices of counsel to the Timminco Entities. Each of the four Qualified Phase II Bidders, including the Stalking Horse Bidder, participated in the Auction.
23. The Timminco Entities and their counsel, in consultation with the Monitor, presided over the auction. The Minimum Overbid Requirement was \$250,000 for the duration of the Auction.

24. Section 9(d) of the Bidding Procedures states, *inter alia*:

“The [Timminco Entities] may, with the assistance of their advisors and in consultation with the Monitor, adopt rules for the Auction at or prior to the Auction that will better promote the goals of the Auction and that are not inconsistent with any provisions of these Bidding Procedures or the Bidding Procedures Order; provided that the adoption of any rule that materially deviates from the Auction procedures set forth herein shall require the prior written consent of the Stalking Horse Bidder or an Order of the Court”

25. In the opinion of the Monitor, the Timminco Entities conducted the Auction in a manner that was consistent with the Bidding Procedures and did not adopt any rules that were inconsistent with the goals of the Auction or with any provisions of the Bidding Procedures or the Bidding Procedures Order, or that materially deviated from the Auction procedures set forth in the Bidding Procedures.
26. At the start of each round of bidding, the Timminco Entities announced details of the then highest and/or best Overbid and the identity of the Qualified Phase II Bidder that had submitted such Overbid.
27. In exercising their business judgement in determining, in consultation with the Monitor, the then highest and/or best Overbid at each stage of the Auction, the Timminco Entities considered a variety of factors, including the amount of cash consideration (net of the Expense Reimbursement payable to the Stalking Horse Bidder in the event that it was not the Successful Bidder), the non-cash consideration, the conditions of the Overbid and any terms that may impact closing risk. The Timminco Entities and the Monitor also consulted with IQ at various times during the Auction.

28. The Qualified Phase II Bidder, whose Qualified Phase II Bid included all of the assets covered by the Stalking Horse Bidder and provided for the assumption of the Pension Plans subject to amendment of the CEP collective bargaining agreement to which QSLP is a party, made one Overbid with the Minimum Bid Increment but did not submit an Overbid in the second round of bidding. Accordingly, pursuant to the Bidding Procedures, that Qualified Phase II Bidder was not entitled to participate in the balance of the Auction.
29. Bidding involving QSI, Ferro and Wacker Chemie A.G. (“**Wacker**”) continued through 18 rounds of bidding, with QSI submitting Overbids involving all of the assets subject to the Stalking Horse Agreement and Wacker and Ferro submitting Portion Bids that together formed an Aggregated Bid.
30. In round 19 of bidding QSI submitted a Portion Bid that together with the latest Ferro Portion Bid formed an Aggregated Bid that was determined to be the highest and/or best Overbid. Ferro submitted no further Portion Bids thereafter.
31. Bidding then continued through round 37 with QSI and Wacker submitting Portion Bids that together with the last Ferro Portion Bid constituted Aggregated Bids. At the end of round 37, the then highest and/or best Overbid was determined by the Timminco Entities, in consultation with the Monitor, to be an Aggregated Bid of the Portion Bids submitted by QSI and Ferro.
32. Wacker declined to bid in round 38. Accordingly, the Auction closed at 3:00 p.m. April 25, 2012. The Successful Bid was declared to be an Aggregated Bid comprised of the last Portion Bids submitted by QSI and Ferro. The Back-Up Bid was declared to be an Aggregated Bid comprised of the last Portion Bids submitted by Wacker (the “**Wacker APA**”) and Ferro.

33. The cash consideration¹ of the Stalking Horse Agreement was \$20,000,000. The aggregate cash consideration¹ of the Opening Bid at the Auction was \$24,025,000. The aggregate cash consideration¹ of the Successful Bid at the conclusion of the Auction was \$34,525,000, representing a 72.6% increase over the Stalking Horse Agreement and a 43.7% increase over the Opening Bid.

REQUEST FOR APPROVAL OF THE SUCCESSFUL BID

34. Having completed the Auction in accordance with the Bidding Procedures, and having determined, in consultation with the Monitor, that the Successful Bid was an Aggregated Bid comprised of the last Portion Bids submitted by QSI and Ferro, the Timminco Entities now seek approval of the QSI APA and the Ferro APA.

THE QSI APA

35. Capitalized terms used in this section of this Report are as defined in the QSI APA unless otherwise defined.
36. The key provisions of the QSI APA, a copy of which is attached hereto as Appendix C, are as follows:
- (a) The Purchased Assets are comprised of the Purchased Silicon Metal Assets and the HP2 Property. None of the assets of Timminco are within the definition of Purchased Assets;
 - (b) The Purchase Price is \$31,875,000 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 QSI APA;

¹ Subject to adjustment in accordance with the relevant agreement

- (c) The QSI APA provides for a Deposit of 15% of the Closing Cash Purchase Price. The Deposit of \$4,781,250 is a combination of the credit and set off arrangement of \$4,250,000 contemplated under the DIP Amendment and \$531,250 in cash deposited with the Monitor. The cash component of the Deposit shall be retained by the Timminco Entities and the remainder 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 QSI APA;
- (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) to a maximum of \$10 million;
 - (ii) all debts, liabilities and obligations for Transfer Taxes payable in connection with the Transaction; and
 - (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.
- (e) The QSI APA may be terminated:
 - (i) By the Purchaser if the conditions in favour of the Purchaser are not satisfied on or prior to the date specified therefor;
 - (ii) By the Vendors if the conditions in favour of the Vendors are not satisfied on or prior to the date specified therefor; or

- (iii) By any of the parties if the conditions for the mutual benefit of the Purchaser and the Vendors are not satisfied on or prior to the date specified therefor or if Closing has not occurred by the Termination Date of July 1, 2012.
 - (f) The QSI APA provides for an increase in the DIP Facility in the event that Closing has not occurred by June 8, 2012 by up to \$2.5 million; and
 - (g) Notwithstanding any provision of the QSI APA, if a condition to complete the Transaction, or a covenant or an agreement in the QSI APA, other than those contained in Section 3.1, Section 3.5, Section 6 or Section 8, is prohibited or unenforceable pursuant to applicable law, then such condition, covenant or agreement shall be ineffective to the extent of such prohibition or unenforceability without invalidating the other provisions of the QSI APA.
37. The QSI APA 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 QSI APA 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 QSI APA 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 the QSI APA 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 QSI APA and before the Closing Time, there shall not have occurred any Material Adverse Change;
- (f) the Closing Date Statement of QSLP Working Capital shall have been determined in accordance with Section 3.9(d) or Section 3.9(e) of the QSI APA and the QSLP Working Capital shown on the Closing Date Statement of QSLP Working Capital shall not be less than \$7,500,000;
- (g) BSI shall have delivered to the Purchaser evidence, 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 "T" to the QSI APA; and

- (h) the Vendors shall deliver a certificate, 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.
38. 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 QSI APA 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 QSI APA to the extent required to be performed at or before the Closing Time.
39. The obligations of the Vendors and the Purchaser to complete the Transaction are subject to the following conditions being fulfilled or performed:
- (a) the QSI APA 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, 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);
 - (b) 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);
 - (c) no order shall have been issued by a Governmental Authority which restrains or prohibits the completion of the Transaction; and

- (d) 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 the QSI APA.

THE FERRO APA

- 40. Capitalized terms used in this section of this Report are as defined in the Ferro APA unless otherwise defined.
- 41. The key provisions of the Ferro APA, a copy of which is attached hereto as Appendix D, are as follows:
 - (a) The Purchased Assets are comprised of BSI's right, title and interest, in and to all of the tangible and intangible assets, properties, rights and Claims, wherever located, used, intended for use or arising in connection with BSI's currently inactive business of producing solar grade silicon through a division of BSI, Timminco Solar, but only to the extent set forth in Schedule "A" to the Ferro APA including the Solar Equipment, the HP1 Property and the Solar Intellectual Property;
 - (b) The Purchase Price is \$2,650,000 payable in cash plus the assumption by the Purchaser of the Assumed Obligations;
 - (c) The QSI APA provides for a Deposit of 15% of the Closing Cash Purchase Price. The Deposit of \$387,500 in cash has been deposited with the Monitor;
 - (d) The Assumed Obligations are:

- (i) all applicable Transfer Taxes pertaining to the Purchaser's acquisition of the Purchased Assets or the registration of any Specific Conveyance necessitated by the Ferro APA (including for greater certainty all debts, liabilities and obligations of the Vendors for Transfer Taxes payable in connection with the Transaction); and
 - (ii) all debts, liabilities and obligations for realty taxes in respect of the Purchased Assets attributable to the period from and after the Closing Date.
- (e) The Ferro APA may be terminated:
- (i) By the Purchaser if the conditions in favour of the Purchaser are not satisfied on or prior to the date specified therefor;
 - (ii) By the Vendors if the conditions in favour of the Vendors are not satisfied on or prior to the date specified therefor; or
 - (iii) By any of the parties if the conditions for the mutual benefit of the Purchaser and the Vendors are not satisfied on or prior to the date specified therefor or if Closing has not occurred by the Termination Date of July 1, 2012.
- (f) Notwithstanding any provision of the Ferro APA, if a condition to complete the Transaction, or a covenant or an agreement in the Ferro APA, other than those contained in Section 2.4, Section 3.1, Section 3.5 or Section 6, is prohibited or unenforceable pursuant to applicable law, then such condition, covenant or agreement shall be ineffective to the extent of such prohibition or unenforceability without invalidating the other provisions of the Ferro APA.

42. The Ferro APA 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 Ferro APA 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 Ferro APA 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 the Ferro APA 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 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 Ferro APA and before the Closing Time, there shall not have occurred any Material Adverse Change;
 - (f) the parties thereto shall have entered into and delivered an executed copy of the HP2 Property Access Agreement substantially on the terms set out in Schedule "E" to the Ferro APA; and

- (g) the Purchaser shall be satisfied, acting reasonably, that necessary steps have been taken to ensure that the Purchaser receives the Utilities after the Closing Time on terms substantially equivalent to those currently in effect.
43. 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 Ferro APA 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 Ferro APA to the extent required to be performed at or before the Closing Time.
44. 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 not have been stayed, varied, vacated or appealed (or any such appeal shall have been dismissed with no further appeal therefrom or the applicable appeal periods shall have expired);
 - (b) 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);
 - (c) no order shall have been issued by a Governmental Authority which restrains or prohibits the completion of the Transaction; and
 - (d) 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 the Ferro APA.

45. Section 7.14 of the Ferro APA, the severability clause, provides that section 2.4 of the Ferro APA (the Excluded Obligations section which states that, amongst other things, debts, liabilities, obligations or claims relating to Benefit Plans, Collective Agreements, Employees, Pension Plans and Post-Retirement Liabilities would not be assumed by Ferro) will not be severed if found not to be enforceable. In the Monitor's view, this gives rise to a closing risk as Ferro may assert that have the option to elect to not close if they cannot obtain or enforce the benefits of section 2.4 of the Ferro Agreement.

THE MONITOR'S RECOMMENDATION IN RESPECT OF THE SUCCESSFUL BID

46. The Monitor was provided with full access to information during the marketing process, attended the Auction and the Timminco Entities provided full cooperation with the Monitor throughout. The Timminco Entities consulted with the Monitor in respect of all material decisions made at the Auction.
47. The Monitor has considered the conduct of the marketing process and the Auction in light of the principles of the decision in the leading case of *Royal Bank of Canada v. Soundair Corp.* and the requirements of the Bidding Procedures Order. The Monitor is satisfied that the marketing process was fair, transparent and reasonable in the circumstances and that the marketing process and the Auction were conducted in accordance with the provisions of the Bidding Procedures Order.
48. In consultation with their advisors and the Monitor, the Timminco Entities determined that, in their business judgement, the Successful Bid represents the highest and/or best Overbid made at the Auction for the assets subject to the QSI APA and the Ferro APA. The Monitor is of the view that the Timminco Entities applied their business judgement reasonably in the circumstances.
49. The Monitor has considered the option of a piecemeal liquidation of the assets subject to the QSI APA and the Ferro APA and notes the following:

- (a) There is, in the Monitor's view, no viable liquidation alternative beyond the marketing process for the sale of the QSLP Equity;
 - (b) During the marketing process, the Monitor sought liquidation offers for the plant and equipment that is subject to the Successful Bid. Six liquidation firms reviewed the opportunity but all declined to provide a liquidation offer;
 - (c) During the marketing process, the Monitor sought proposals for the listing of the real estate subject to the Successful Bid, being the HP1 Property and the HP2 Property. Each of the real estate firms contacted declined to provide a listing proposal or indication of value.
 - (d) Based on its experience and the information available to the Monitor, the Monitor estimates that in the event of a forced liquidation the realizable value of the inventory and receivables subject to the QSI APA may be approximately \$5.3 million.
 - (e) Based on its experience and the information available to the Monitor, the Monitor estimates that in the event of a forced liquidation the realizable value of the inventory and receivables subject to the Ferro APA may be approximately \$0.9 million.
50. In the Monitor's view, the results of a liquidation of assets would be uncertain and time-consuming and would not likely result in any materially higher recovery to stakeholders than the closing the transactions contemplated by the QSI APA and the Ferro APA.
51. The Monitor therefore supports the Timminco Entities request for approval of the QSI APA and the Ferro APA.

THE 2ND DIP AMENDMENT

52. As noted earlier in this report, the QSI APA provides for an increase in the DIP Facility of up to \$2.5 million in the event that Closing has not occurred by June 8, 2012. To give effect to that provision, the QSI, in its capacity as DIP Lender, and the Timminco Entities have entered into the 2nd DIP Amendment, a copy of which is attached hereto as Appendix E.
53. The 2nd DIP Amendment is effective only if approved by the Court and if Closing has not occurred prior to June 8, 2012. The key provisions of the 2nd DIP Amendment are summarized as follows:
- (a) The addition of a second tranche of financing of \$2.5 million to be available after June 8, 2012 in the event that the QSI APA has not closed by June 8, 2012 and that the delay in Closing is not due to the failure of the Timminco Entities to fulfil any of the conditions of the QSI APA or any breach of the Timminco Entities' representations and warranties contained in the QSI APA; and
 - (b) An extension of the Maturity Date from June 20 to July 4, 2012.
54. While the May 7 Forecast shows no additional financing required before the Termination Date of the QSI APA, it shows that additional financing would be required in the event that Closing is unavoidably delayed and the parties agree to extend the Termination Date.
55. In such an event, absent additional financing, the Timminco Entities would be unable to complete the sale of their assets. Accordingly, any prejudice from approval of the DIP Amendment and the increase in the DIP Lender's Charge from \$4.25 million to \$6.75 million should be outweighed by the benefits that it creates in ensuring that the Timminco Entities will have sufficient funding to complete the transactions contemplated by the QSI APA and the Ferro APA.

56. Accordingly, the Monitor respectfully recommends that this Honourable Court grant the Timminco Entities' request for approval of the 2nd DIP Amendment and the increase in the DIP Lender's Charge.

THE ASSIGNMENT ORDER

57. In order to complete the transactions contemplated under the QSI APA, and as part of the Approval and Vesting Order in the form attached to the Timminco Entities' Motion Record dated May 9, 2012, the Timminco Entities are seeking the Assignment Order, as defined in the QSI APA pursuant to section 11.3 of the CCAA in respect of the following Contracts, each as defined in the affidavit of Peter Kalins sworn May 9, 2012 and filed in support of the Timminco Entities motion for the approval of the QSI APA (the "**May 9 Kalins Affidavit**"):

- (a) The Limited Partnership Agreement;
- (b) The Shareholders Agreement;
- (c) The Supply Agreement; and
- (d) The Wacker Agreement.

58. Section 11.3(3) of the CCAA states that one of the factors to be considered by the Court in deciding whether to make an order under section 11.3 is whether the Monitor approved the proposed assignment. The Monitor wishes to have the benefit of the views of each of the parties in respect of the Assignment Order and will therefore file a separate report in respect of the Timminco Entities' request for the granting of the Assignment Order following service of materials by the responding parties and prior to the hearing now scheduled for May 29, 2012.

THE MONITOR'S RESPONSES TO THE DCC QUESTIONS

59. The DCC Questions and the Monitor's answers to those questions will be provided to the Court in a separate report.

THE RINALDI AFFIDAVIT

60. Paragraph 40 of the Rinaldi Affidavit states:

“On the day following the date scheduled for the auction, but without prior notice, DCC was asked, through its counsel, if it could be available immediately for a call with one bidder who believed it had a proposal that would be acceptable to DCC and wished to discuss it with DCC with a view to removing the DCC Consent condition from its bid”

61. On April 25th, the second day of the Auction which had, as noted earlier in this report, continued uninterrupted since 10:00 a.m. on April 24th, the Monitor did ask counsel for DCC, having been unable to reach the two DCC contacts directly, whether the DCC representatives would be available for discussions with bidders. To the best of its recollection, the Monitor does not believe that it stated in that call that a bidder “believed it had a proposal that would be acceptable to DCC”.

62. Paragraph 41 of the Rinaldi Affidavit states:

“The first time that both of the appropriate representatives were available was at 1:30 p.m. that day. I am advised by my counsel that on learning from the Monitor that this timing was problematic, she suggested alternatives which could permit the discussions with the requesting bidder to take place earlier. These were not entertained by the Monitor. In any event, the bidder in question was denied the opportunity to make its proposal to DCC.”

63. For completeness, the Monitor notes that while it was informed that one of the representatives of DCC could be available for discussions earlier than 1:30 p.m., the Monitor was also informed that the representative would still have to consult with the other representative when he became available after 1:30 p.m.
64. The Rinaldi Affidavit states that the alternatives “were not entertained by the Monitor”. The Monitor notes that pursuant to the Bidding Procedures, the Timminco Entities, not the Monitor, were responsible for the conduct of the Auction. The alternative was immediately communicated by the Monitor to the representatives of the Timminco Entities (by which time the Timminco Entities had already informed the Bidders that the adjournment request had been denied). The Timminco Entities considered the alternative and, for the reasons described at paragraph 21 of the May 9 Kalins Affidavit, confirmed the decision to not grant the requested adjournment.
65. The Monitor also notes that DCC’s counsel was also informed there were factors other than the timing of the availability of the key DCC representative that were considered by the Timminco Entities in reaching the decision to decline the bidder’s request to adjourn the Auction. These factors are discussed at paragraph 21 of the May 9 Kalins Affidavit.

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

Dated this 15th day of May, 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

Appendix A

The May 7 Forecast

Timminco Limited & Becancour Silicon Inc.

CASH FLOW FORECAST

CAN

in 000s

	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	Week 19	Week 20	Week 21	Week 22	Week 23	Week 24	Week 25	Week 26	Week 27	Week 28	Week 29	Week 30	Week 31	Week 32	Week 33	Week 34	Week 35		
Week Ending on Friday	11-May	18-May	25-May	1-Jun	8-Jun	15-Jun	22-Jun	29-Jun	6-Jul	13-Jul	20-Jul	27-Jul	3-Aug	10-Aug	17-Aug	24-Aug	31-Aug		Total
Beginning Cash Position	2,224	1,773	911	762	1,512	1,172	427	375	829	470	(286)	(217)	190	989	186	(1,871)	(2,220)		2,224
Receipts																			
Sales and receivables	998	1,214	720	1,785	1,027	937	1,022	1,226	666	661	1,063	1,210	679	392	51	647	1,073		15,371
Government and other receivables	373	633	243	-	-	-	-	600	-	-	-	-	600	-	-	-	600		3,049
Total Receipts	1,371	1,847	963	1,785	1,027	937	1,022	1,826	666	661	1,063	1,210	1,279	392	51	647	1,673		18,420
Disbursements																			
Materials	(1,344)	(1,434)	(772)	(689)	(987)	(1,434)	(772)	(772)	(1,567)	(1,163)	(765)	(398)	(191)	(966)	(1,208)	(772)	(772)		(16,005)
QSLP/DCC obligation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
Operating Expenses	(334)	(978)	(210)	(157)	(251)	(117)	(172)	(448)	(123)	(139)	(114)	(290)	(128)	(114)	(785)	(110)	(264)		(4,733)
Restructuring Expenses	(144)	(150)	(130)	(165)	(130)	(130)	(130)	(130)	(135)	(115)	(115)	(115)	(135)	(115)	(115)	(115)	(115)		(2,184)
DIP Interest and Fees	-	(146)	-	(25)	-	-	-	(23)	-	-	-	-	(25)	-	-	-	(25)		(244)
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
Total Disbursements	(1,822)	(2,708)	(1,111)	(1,036)	(1,367)	(1,682)	(1,074)	(1,373)	(1,825)	(1,417)	(994)	(803)	(479)	(1,195)	(2,108)	(996)	(1,175)		(23,166)
Net Cash Flows	(451)	(862)	(149)	750	(340)	(745)	(51)	454	(1,159)	(756)	69	407	799	(803)	(2,057)	(349)	498		(4,746)
Plus: DIP Facility Borrowings	-	-	-	-	-	-	-	-	800	-	-	-	-	-	-	-	-		800
Less: DIP Facility Repayment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
Ending Cash Position	1,773	911	762	1,512	1,172	427	375	829	470	(286)	(217)	190	989	186	(1,871)	(2,220)	(1,722)		(1,722)
DIP Facility Availability b/f	800	800	800	800	800	800	800	800	800	-	-	-	-	-	-	-	-		800
Less: Outstanding DIP Facility Borrowings	-	-	-	-	-	-	-	-	800	-	-	-	-	-	-	-	-		800
DIP Facility (Borrowings)/Repayments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
DIP Facility Availability c/f	800	800	800	800	800	800	800	800	-	-	-	-	-	-	-	-	-		-

Notes:

- 1) The purpose of this cash flow projection is to determine the liquidity requirements of Timminco during the forecast period.
- 2) Receipts from operations have been forecast based on current payment terms, historical trends in collections, and the sales forecast. The sales forecast for the period has been determined based on scheduled orders from BSI customers, taking into consideration the QSLP production schedules and the anticipated allocation of such production to each of QSLP's customers.
- 3) Materials purchases are based on QSLP production schedules and the anticipated allocation of such production to each of QSLP's customers.
- 4) Operating Expenses in respect of BSI have been forecast based on costs to support shipment of materials, solar related expenses, shared service support costs, and overhead and insurance costs.
- 5) Payroll and benefits costs included in Operating Expenses are based on actual payroll funding in the period leading up to the forecast period and include adjustments for increased sourced deductions beginning in 2012.
- 6) Corporate costs included in Operating Expenses have been forecast based on known recurring historical costs and expected future costs.
- 7) The cash flow does not include interest charges for amounts owing under Timminco's and BSI's current debt obligations.
- 8) Restructuring Expenses include legal and professional fees based on estimates provided by the current legal and financial advisors.

Appendix B

The CEP Letter

CaleyWray

LABOUR/EMPLOYMENT LAWYERS

1600-65 Queen Street West
Toronto ON M5H 2M5

Jesse B. Kugler
Direct Line: 416-775-4677
Toll Free: 1-866-691-3763
Fax: 416-366-3293
Email: kuglerj@caleywray.com

File No. 29543

April 18, 2012

Linc Rogers
Blake, Cassels & Graydon LLP
199 Bay Street
Suite 4000, Commerce Court West
Toronto ON M5L 1A9

Dear Mr. Rogers:

RE: TIMMINCO LTD. (COURT FILE NO. CV-12-9539-00CL)

As you know, we are counsel to the Communications, Energy and Paperworkers Union of Canada ("CEP") in respect of the above-noted proceedings under the Companies' Creditors Arrangement Act ("CCAA"). We are writing to you in your capacity as counsel to FTI Consulting Inc., court appointed Monitor in these proceedings.

Pursuant to the order of the Court dated March 9, 2012, the Court approved a process for the Monitor to solicit and assess bids to acquire all or some of the assets contemplated by the Stalking Horse Agreement. In order for a bid to be considered a Qualified Phase II Bid, we understand that the bid may not be subject to conditionality more burdensome than the conditions contained in the Stalking Horse Agreement. We understand that Qualified Phase II Bids must be submitted to the Monitor by no later than April 19, 2012.

Based on the CEP's discussions with parties interested in submitting Qualified Phase II Bids, it is apparent that one of the conditions that may be attached to such bids may relate to achieving amendments to the applicable collective bargaining agreements. Unlike the Stalking Horse Agreement, we understand that some or all of the interested parties are prepared to assume the CEP's collective bargaining agreements, including pre-filing including pension and post-retirement benefit liabilities, provided that amendments to the collective bargaining agreements can be secured.

The CEP wishes to ensure that any such bid that includes the assumption of such pre-filing collective agreement liabilities is not screened out of the auction process or otherwise deemed not to satisfy the criteria of a Qualified Phase II Bid in whole or in

April 18, 2012
Page 2 of 2

part as a result of conditionality associated with securing amendments to the collective bargaining agreements.

Accordingly, we request that the Monitor do the following:

- i. Provide the CEP, through its counsel, information in respect of each Qualified Phase II Bid as it relates to the assumption of the CEP's collective bargaining agreements and liabilities that flow therefrom, including liabilities related to the applicable pension plans and post-retirement benefits, and to any conditions associated with the assumption of those liabilities including conditions related to securing amendments to the applicable collective bargaining agreements; and
- ii. Notify all interested bidders that CEP is prepared to immediately entered into discussions with respect to amendments to the collective bargaining agreements in order to address the conditionality described above in (i).

The CEP and/or its counsel is prepared to enter into a confidentiality agreement if necessary.

We thank you in advance for your anticipated co-operation. Please contact us if you would like to discuss this matter further.

Yours truly,
CaleyWray



Jesse Kugler
JBK/cr

cc: P. Grenier

Appendix C

The QSI APA

AGREEMENT OF PURCHASE AND SALE

This Agreement of Purchase and Sale (this "**Agreement**") is made and entered into as of this 25th day of April, 2012, between BECANCOUR SILICON INC., a corporation subject to the *Business Corporations Act* (Québec) ("**BSI**"), TIMMINCO LIMITED, a corporation incorporated under the *Canada Business Corporations Act* ("**Timminco**" and together with BSI, the "**Vendors**"), QSI PARTNERS LTD., a corporation incorporated under the laws of the Cayman Islands (the "**Purchaser**") and GLOBE SPECIALTY METALS, INC., a corporation incorporated under the laws of Delaware (the "**Guarantor**").

RECITALS:

- (A) Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated January 3, 2012 (as amended and as may be further amended or restated from time to time, the "**Initial Order**"), the Vendors are subject to proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**");
- (B) On March 1, 2012, the Vendors, the Purchaser, and the Guarantor entered into that certain Agreement of Purchase and Sale, for the purchase and sale of certain of the Vendors' assets (the "**Stalking Horse Agreement**") so as to set a minimum floor price in respect of the Vendors' sales process;
- (C) Pursuant to an order of the Court dated March 9, 2012 (as amended or restated from time to time, the "**Bidding Procedures Order**"), the Court, *inter alia*, approved (i) certain bidding procedures, attached as Schedule "A" thereto, for the solicitation of offers or proposals for the acquisition of the Vendors' property, assets and undertaking, or some portion thereof (the "**Bidding Procedures**") superior to that contemplated under the Stalking Horse Agreement, and (ii) an Expense Reimbursement payable to the Purchaser in accordance with Section 7.2 of the Stalking Horse Agreement; and
- (D) The Vendors desire to sell certain of their assets and the Purchaser has agreed subject to the selection of this Agreement as the Successful Bid in accordance with the Bidding Procedures, to purchase certain assets of the Vendors, subject to the terms and conditions set forth in this Agreement and in accordance with section 36 and other provisions of the CCAA and the Bidding Procedures Order;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Vendors, the Purchaser and the Guarantor agree as follows:

SECTION 1 INTERPRETATION

1.1 Definitions

In this Agreement:

- (a) **"Affiliate"** has the meaning ascribed to that term under National Instrument 45-106 - Prospectus and Registration Exemptions of the Canadian Securities Administrators;
- (b) **"Agreement"** has the meaning set out in the recitals hereto;
- (c) **"Applicable Law"** means, in respect of any Person, property, transaction or event, any domestic or foreign statute, law (including the common law), ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code or guideline, by-law or order, in each case, having the force of law, that applies in whole or in part to such Person, property, transaction or event;
- (d) **"Approval and Vesting Order"** means an order by the Court approving this Agreement, authorizing the Transaction and vesting in the Purchaser all the right, title and interest of the Vendors in and to the Purchased Assets free and clear of all Encumbrances, other than Permitted Encumbrances, in form and substance acceptable to the Parties, acting reasonably;
- (e) **"Assignment and Assumption Agreement"** means an agreement to be entered into between the Purchaser and the Vendors to be effective as of the Closing Time wherein the Vendors shall assign the Contracts to the Purchaser and the Purchaser shall thereafter assume the Assumed Obligations;
- (f) **"Assignment Order"** means an order or orders of the Court pursuant to Section 11.3 and other applicable provisions of the CCAA, in form and substance satisfactory to the Purchaser, acting reasonably, (i) authorizing and approving the assignment of any Contract for which a Consent and Approval has not been obtained (including the DCC Consent) and preventing any counterparty to the Contract from exercising any right or remedy under the Contract by reason of any defaults arising from the CCAA Proceedings or the insolvency of the Vendors and (ii) where no DCC Consent has been obtained, the vesting in the Purchaser of all right, title and interest of BSI in and to the QSLP Equity and the QSLP Contracts free and clear of any rights or remedies of DCC arising under any QSLP Contract in connection with (A) the transfer of the QSLP Equity or such QSLP Contract contemplated hereunder, (B) the Vendors' insolvency or CCAA Proceedings, or (C) any pre-Closing breach of contract;
- (g) **"Assumed Obligations"** has the meaning set out in Section 2.4;
- (h) **"Auction"** has the meaning set out in the Bidding Procedures;
- (i) **"Back-Up Bid"** has the meaning set out in the Bidding Procedures;

- (j) **“Benefit Plans”** means all oral or written plans, arrangements, agreements, programs, policies, practices or undertakings of each Vendor with respect to some or all of the Employees and which provide for or relate to:
 - (i) bonus, profit sharing or deferred profit sharing, performance compensation, deferred or incentive compensation, supplemental retirement arrangements, share compensation, share purchase or share option, share appreciation rights, phantom stock, vacation or vacation pay, sick pay, employee loans, or any other compensation in addition to salary; or
 - (ii) insured or self-insured benefits for or relating to income continuation or other benefits during absence from work (including short term disability, long term disability and workers compensation), hospitalization, health, welfare, legal costs or expenses, medical or dental treatments or expenses, life insurance, accident, death or survivor’s benefits, supplementary employment insurance, day care, tuition or professional commitments or expenses and perquisites or similar employment benefits;
- (k) **“Bidding Procedures”** has the meaning set out in the recitals hereto;
- (l) **“Bidding Procedures Order”** has the meaning set out in the recitals hereto;
- (m) **“Books and Records”** means all files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise), including tax and accounting books and records, used or intended for use by, and in the possession of, either Vendors, in connection with the ownership, or operation of the Purchased Assets, including the Contracts, customer lists, customer information and account records, sales records, computer files, data processing records, employment and personnel records, sales literature, advertising and marketing data and records, credit records, records relating to suppliers and other data, in each case, relating to the Purchased Assets;
- (n) **“BSI Owned Property”** means the real property referred to under the heading **“Owned Property”** in Schedule **“B”**;
- (o) **“BSI Working Capital”** means the Silicon Metals Accounts Receivable, inventory and prepaid expenses of BSI set out in Schedule **“L”**;
- (p) **“Business Day”** means a day on which banks are open for business in Toronto, Montreal and New York but does not include a Saturday,

Sunday or statutory holiday in the Province of Ontario, or the Province of Québec or the State of New York;

- (q) "C\$" and "\$" means the lawful currency of Canada;
- (r) "CCAA" has the meaning set out in the recitals hereto;
- (s) "CCAA Proceedings" has the meaning set out in the recitals hereto;
- (t) "Claims" means any claim of any nature or kind (including any cross-claim or counterclaim), demand, investigation, chose in or cause of action, suit, default, assessment, litigation, third party action, arbitral proceeding or proceeding by or before any Person;
- (u) "Closing" means the successful completion of the Transaction;
- (v) "Closing Cash Payment" has the meaning set out in Section 3.2;
- (w) "Closing Cash Purchase Price" has the meaning set out in Section 3.2;
- (x) "Closing Date" means the fifth (5th) Business Day following the date on which the Approval and Vesting Order is granted or such other date as agreed to in writing by the Parties;
- (y) "Closing Date Draft Statement of QSLP Working Capital" has the meaning set out in Section 3.9(a);
- (z) "Closing Date Statement of QSLP Working Capital" has the meaning set out in Sections 3.9(d) and 3.9(e);
- (aa) "Closing Time" means 2:00 p.m. (Toronto time) on the Closing Date;
- (bb) "Collective Agreements" means all collective bargaining or similar agreements with any type of Employee representative applying or relating to any Employee of either of the Vendors, including the Convention Collective de Travail between BSI, QSLP and La Section Locale 184 du Syndicat Canadien des Communications, de l'Énergie et du Papier dated February 28, 2011 relating to BSI's hourly employees;
- (cc) "Competition Act" means the *Competition Act* (Canada) as amended, and includes the regulations promulgated thereunder;
- (dd) "Consents and Approvals" means the consents, approvals, notifications or waivers from, and filings with, third parties (including any Governmental Authority) as may be required to complete the Transaction, in form and substance (including without limitation the quantum of the

Consent Costs) satisfactory to the Purchaser, acting reasonably, as set forth in Schedule "K", and which are effective as of the Closing Time;

- (ee) "Consent Cost" has the meaning set out in Section 1.1(hh), for greater certainty and without limitation, Consent Costs do not include any amounts owing to or incurred by the Monitor or its or the Vendors' advisors;
- (ff) "Contracts" means all of the contracts and other written agreements to which the Vendors or either one of them are parties constituting part of the Purchased Assets;
- (gg) "Court" has the meaning set forth in the recitals hereto;
- (hh) "Cure Costs" means collectively, (i) the amounts, if any, that are required to be paid under section 11.3 of the CCAA to cure any monetary defaults in connection with the assignment of the Contracts to the Purchaser under section 11.3 of the CCAA; and (ii) such other reasonable costs required to obtain any Consent and Approval (such reasonable costs required to obtain any Consent and Approval, the "Consent Cost");
- (ii) "DCC" means any one or more of Dow Corning Canada, Inc., DC Global Holdings S.a.r.l. (formerly Dow Corning Netherlands, B.V.), Dow Corning Corporation or their Affiliates as applicable;
- (jj) "DCC Consent" means the consent to the transfer to the Purchaser (or its permitted assigns in accordance with Section 9.11) hereunder of the QSLP Equity and of all of the Contracts to which DCC is a party hereunder and waiver by DCC of any and all rights it has or will become entitled to under any QSLP Contract due to (i) the transfer of the QSLP Equity hereunder, or (ii) the Vendors' insolvency or CCAA Proceedings, or (iii) any pre-Closing breach of contracts, such consent and waiver to be in form and substance satisfactory to the Purchaser, acting reasonably;
- (kk) "Deposit" has the meaning set forth in Section 3.3;
- (ll) "DIP Amendment" means the amendment dated March 1, 2012 to the DIP agreement dated January 18, 2012 between the Vendors and the DIP Lender pursuant to which the parties thereto agreed, *inter alia*, that if either (i) the Closing takes place, or (ii) the 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 or hereunder, then the outstanding DIP Obligations (as defined in the DIP Amendment) owing by the Vendors under the DIP Facility and the obligation of the Monitor to return the remaining balance, if any, of the Maximum Amount (as defined in the DIP Amendment) (and interest earned thereon) to the Purchaser on the

Maturity Date (as defined therein) shall be reduced by an aggregate amount equal to the Deposit;

- (mm) **"DIP Facility"** means the super-priority credit facility provided to the Vendors by the Purchaser pursuant to the DIP agreement dated January 18, 2012 between the Vendors and the DIP Lender (as may be amended), and approved by the DIP Order;
- (nn) **"DIP Lender"** means QSI Partners Ltd., in its capacity as lender under the DIP Facility;
- (oo) **"DIP Lender's Charge"** has the meaning set out in the DIP Order;
- (pp) **"DIP Order"** means the Order of the Court dated February 8, 2012, authorizing the DIP Facility, as amended from time to time;
- (qq) **"Disclosure Letter"** means the disclosure letter executed by the Vendors and delivered to the Purchaser prior to the execution of the Stalking Horse Agreement;
- (rr) **"Draft Statement of BSI Working Capital"** has the meaning set forth in Section 3.6(a);
- (ss) **"Employee"** means an individual who is, or previously was, employed or retained by either Vendor, whether on a full-time or a part-time basis, whether active or inactive as of the Closing Date, and includes an employee on short term or long term disability leave;
- (tt) **"Encumbrances"** means any security interest, lien, claim, charge, hypothec, reservation of ownership, pledge, encumbrance, mortgage, adverse claim or right of a third party or encumbrance of any nature or kind whatsoever and any agreement, option or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing, (including any conditional sale or title retention agreement, or any capital or financing lease);
- (uu) **"Estimated BSI Working Capital Statement"** means the forecasted working capital balances set forth in Schedule "L";
- (vv) **"Excise Tax Act"** means the *Excise Tax Act* (Canada), as amended;
- (ww) **"Excluded Assets"** means any and all properties, rights, assets and undertakings of the Vendors that do not constitute the Purchased Assets;
- (xx) **"Excluded Equipment"** means any equipment or machinery and any parts and components thereof, that are Excluded Assets;

- (yy) **"Expense Reimbursement"** has the meaning set forth in Section 7.2 of the Stalking Horse Agreement;
- (zz) **"Governmental Authority"** means any domestic or foreign government, whether federal, provincial, state, territorial, municipal; or supra-national; and any governmental agency, ministry, department, court (including the Court), tribunal, commission, stock exchange, bureau, board or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government or securities market regulation;
- (aaa) **"Guaranteed Obligations"** has the meaning set forth in Section 8.1(a);
- (bbb) **"HP2 Severance Transaction Documents"** means, collectively, (i) a deed of servitude by which QSGP shall establish by destination of proprietor, mutual and reciprocal real servitudes against and in favour of the property located at 6400 Yvon-Trudeau, Bécancour, Quebec (the **"HP2 Property"**) and the property located at 6500 Yvon-Trudeau, Bécancour, Quebec (the **"Facility"**), in order to address operational, maintenance, cost sharing, access and other related matters between the Facility and the HP2 Property, including servitudes for illegal views, optical fibres, internet, telephone lines and systems, parking, access to Yvon-Trudeau Street, passage, locker room, security, shared equipment, water, sewer, natural gas, electricity, fire safety systems and equipment, spur lines, shipping and receiving doors and/or compressed air; (ii) a deed of sale between BSI as vendor to QSGP, acting as general partner of QSLP, as purchaser, of dust collector No. 21 located on the HP2 Property and the related duct connecting Furnaces No. 2 located on the Facility; (iii) a deed of sale under which QSGP, the registered owner of the HP2 Property, shall transfer legal title to the HP2 Property to BSI, its current beneficial owner; and (iv) following the registration in the land register of the deeds referred to in above paragraphs (i) and (iii), a termination agreement of the nominee agreement concerning the HP2 Property entered into on September 30, 2010 between BSI, as owner, and QSGP, as nominee; in each case, in substantially the form provided by BSI to the Purchaser under cover of letter dated March 1, 2012 or such other form agreed between the Vendors and the Purchaser, acting reasonably;
- (ccc) **"IFRS"** means the International Financial Reporting Standards, namely the standards, interpretations and the framework for the preparation and presentation of financial statements (in the absence of a standard or an interpretation) adopted by the International Accounting Standards Board(IASB), consistently applied;
- (ddd) **"Income Tax Act"** means the *Income Tax Act* (Canada), as amended;

- (eee) **"Initial Order"** has the meaning set out in the recitals hereto;
- (fff) **"Intellectual Property"** means, any interest in any and all intellectual and industrial property of any kind in any jurisdiction throughout the world, including: (i) all software, computer programs, layouts, interfaces, templates, applications and tools, and code of all types, including object and source code, and including ephemeral aspects, "look and feel", graphic design and user interface design ("**Software**"); (ii) all information and data, databases, database layouts and data structures (whether or not subject to copyright protection) ("**Databases**"); (iii) all literary, graphical, pictorial, artistic, audio-visual and other works, including webpages and webpage designs, templates, scripts, and similar material, and all compilations of any of the foregoing (collectively, together with Software and Databases, "**Works**"); (iv) all trade-marks, trade names, service marks, trade dress, logos and other marks and associated goodwill ("**Marks**"); (v) all domain names, patents, inventions, discoveries, arts, systems, methods, processes, machines, manufactures, developments and improvements ("**Inventions**"); (vi) all industrial designs; all formulae, confidential information, proprietary information, trade secrets and know how ("**Know-How**"); and (vii) any other works or other subject-matter that is subject to intellectual or industrial property protection under the laws of any jurisdiction throughout the world; in all cases of the foregoing whether or not registrable, registered or the subject of applications for registration, including Intellectual Property Rights;
- (ggg) **"Intellectual Property Rights"** means: (i) any and all statutory, common law or other intellectual and industrial property rights and interests of any kind or nature in and to Intellectual Property, including all copyrights and other rights in and to Works, moral rights and benefits in all waivers of moral rights, patents, patent rights and other rights in and to Inventions, rights to Marks, rights and benefits in and to domain name registrations, industrial design and design patent rights, trade secret rights and other rights in and to Know-How, (ii) all registrations, pending applications for registration, and rights to file applications, and rights of priority, renewal, extensions, divisionals, continuations (in whole or in part) or other derivative applications and registrations, for any of the foregoing; (iii) all licenses or other contractual rights in and to any of the foregoing (including third party software licenses) and all licenses granted in respect of any of the foregoing Intellectual Property, rights and interests; (iv) all future income and proceeds from any of the foregoing Intellectual Property, rights, interests or licenses; and (v) all rights of enforcement and to obtain remedies, including to damages and profits, by reason of past, present or future infringement of any of the foregoing Intellectual Property, rights, interests or licenses;

- (hhh) **"Investment Canada Act"** means *Investment Canada Act*, R.S.C. 1985, c. 28 (1st Supp.), as amended;
- (iii) **"Litigation Claims"** means, collectively, (i) any and all rights of actions or claims whatsoever of either Vendor against third parties arising by reason of any facts or circumstances that occurred or existed before the Closing but excluding any such rights of actions or claims of either Vendor against counterparties to any Contract, and (ii) all amounts owing or received in respect of any such rights of actions or claims;
- (jjj) **"Material Adverse Change"** means any one or more changes, effects, events or occurrences that, individually or in the aggregate:
- (i) is, or would reasonably be expected to be, material and adverse to the business, properties, assets, liabilities (contingent or otherwise), condition (financial or otherwise), capitalization, operations or results of operations of QSLP and the Purchased Assets, taken as a whole; or
 - (ii) prevents or materially delays or would reasonably be expected to prevent or materially delay the Vendors from consummating the Transaction;
- other than, in the case of clause (a) or (b), any change, effect, event or occurrence (i) in or relating to the CCAA Proceedings, (ii) in or relating to general political, economic or financial conditions in Canada, or (iii) in or relating to the industry involving the mining, processing and sale of silicon, in general, and which in the case of paragraph (i), (ii) and (iii) does not have a materially disproportionate effect on QSLP and the Purchased Assets, taken as a whole;
- (kkk) **"Monitor"** means FTI Consulting Canada Inc. in its capacity as Monitor of the Vendors in the CCAA Proceedings;
- (III) **"Monitor's Certificate"** means the certificate to be filed with the Court by the Monitor certifying that the Monitor has received written confirmation in form and substance satisfactory to the Monitor from the Parties that all conditions of Closing have been satisfied or waived by the applicable Parties and that the Monitor has received the Closing Cash Purchase Price;
- (mmm) **"Ordinary Course of Business"** means the ordinary course of business of the Vendors with respect to the Purchased Assets consistent with the conduct of such business on the date hereof and consistent with the Orders of the Court in the CCAA Proceedings;

- (nnn) **“Output and Supply Agreement”** means the output and supply agreement among QSLP, BSI and DCC dated October 1, 2010, as amended;
- (ooo) **“Parties”** means, collectively, the Purchaser, the Guarantor and each of the Vendors, and **“Party”** means any one of them;
- (ppp) **“Pension Plans”** means any registered or unregistered pension plans of or sponsored by the Vendors, including the following: (i) the Retirement Pension Plan for the Hourly Employees of Timminco Metals, a Division of Timminco, at the Haley Plant (Ontario Registration Number 0589648), (ii) the Régime de Rentes pour les Employés Non Syndiqués de Silicium Bécancour Inc. (Québec Registration Number 26042), (iii) the Régime de Rentes pour les Employés Syndiqués de Silicium Bécancour Inc. (Québec Registration Number 32063) and (iv) the Pension Plan for the Timminco Salaried Employees (Ontario Registration Number 1039312);
- (qqq) **“Permitted Encumbrances”** means only those Encumbrances related to the Purchased Assets listed on Schedule “E” hereto, which the Purchaser, in connection with the Approval and Vesting Order, shall be entitled to seek to further limit or narrow; provided that, any refusal by the Court to grant the Approval and Vesting Order in respect of any such further limited or narrowed list of Permitted Encumbrances shall not constitute a failure to satisfy the condition in Section 5.3(b) hereof so long as the Court grants the Approval and Vesting Order in respect of the Permitted Encumbrances listed on Schedule “E” hereto;
- (rrr) **“Person”** means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, governmental authority or other entity however designated or constituted;
- (sss) **“Post-Filing Costs”** means any amounts owing or incurred and not paid under the Contracts arising from and after the commencement of the CCAA Proceedings to but excluding the Closing Date that are permitted to be paid pursuant to the Initial Order;
- (ttt) **“Post-Retirement Liabilities”** mean: (i) with respect to Employees whose employment is or was governed by a Collective Agreement (including retirees), all liabilities and obligations for the post-retirement benefits provided under the Collective Agreements or under Benefit Plans; and (ii) with respect to non-unionized Employees (including retirees), all liabilities and obligations for the post-retirement benefits provided under the Benefit Plans, as applicable;

- (uuu) **"Purchase Price"** has the meaning set out in Section 3.1;
- (vvv) **"Purchased Assets"** means, collectively, the Purchased Silicon Metal Assets, and the BSI Owned Property;
- (www) **"Purchased Silicon Metal Assets"** means all of BSI's right, title and interest, in and to those assets and rights set forth in Schedule "A" including the following: the QSLP Equity, the QSLP Contracts, the Silicon Metal Contracts and the ancillary assets and other property set forth in Schedule "A";
- (xxx) **"QSGP"** means Québec Silicon General Partner Inc., a corporation formed under the laws of Québec, and its successors and assigns;
- (yyy) **"QSLP"** means Québec Silicon Limited Partnership, a limited partnership formed under the laws of Québec, and its successors and assigns;
- (zzz) **"QSLP Contracts"** means the Contracts relating to the formation, transfer of assets into, and governance of, QSLP set forth in Schedule "F";
- (aaaa) **"QSLP Current Assets"** means, at any date, all current assets of QSLP, determined on a consolidated basis as of such date in accordance with IFRS (including, for greater certainty, cash, cash equivalents and all other current assets set forth in Schedule "M"), plus the aggregate amount of capital expenditures or other expenditures made from the date of this Agreement to such date on account of loss or damage to assets of QSLP or interruption of business of QSLP but only to the extent such amounts are recoverable under insurance policies of QSLP but not yet received by QSLP, and provided however that any such add back of any such capital expenditures or other expenditures will (i) be subject to providing the Purchaser with evidence satisfactory to it, acting reasonably, that such loss or damage is insured and such amounts will be recovered under such insurance policies and (ii) will not be included if the insurance proceeds are otherwise included as a current asset under IFRS. For greater certainty, the parties agree that the total of QSLP Current Assets as of end of January 2012 amounted to C\$34.649 million as reflected on Schedule "M";
- (bbbb) **"QSLP Current Liabilities"** means, at any time, all current liabilities of QSLP, determined on a consolidated basis as of such time in accordance with IFRS (including, for greater certainty, all financial debt (including but not limited to any line of credit from the shareholders of QSLP) and all current liabilities set forth in Schedule "M"). For greater certainty, the parties agree that the total of QSLP Current Liabilities as of end of January 2012 amounted to C\$28.373 million as reflected on Schedule "M";

- (cccc) “**QSLP Equity**” means, collectively, 51,000 units in the capital of QSLP and 51 Class A Shares in the capital of QSGP, in each case, registered in the name of BSI;
- (dddd) “**QSLP Mineral Rights**” means the Mining Lease BM674 issued by the Ministry of Natural Resources and Wildlife to BSI (then called Électrometallurgie S.K.W. Canada Itée) on January 13, 1976, as renewed, extended and amended;
- (eeee) “**QSLP Real Property**” means the real property municipally known as 6500 Yvon-Trudeau Street, Bécancour Québec,, known and designated as being lot number 4 702 498 of the Cadastre of Québec, Registration Division of Nicolet (Nicolet 2);
- (ffff) “**QSLP Working Capital**” means as at any date the amount of the QSLP Current Assets minus the QSLP Current Liabilities in each case as of such date;
- (gggg) “**Representative**” means, in respect of a Party, each director, officer, employee, agent, Affiliate, manager, lender, solicitor, accountant, professional advisor, consultant, contractor and other representative of such Party or such Party’s Affiliates;
- (hhhh) “**Sales Tax**” means all taxes, interest, penalties and fines imposed under Part IX of the *Excise Tax Act* and *An Act Respecting the Québec Sales Tax* (Québec) and the regulations made thereunder and “**Sales Tax Legislation**” means all such acts and regulations;
- (iiii) “**Sample QSLP Working Capital Statement**” means the sample QSLP working capital statement set forth in Schedule “M”;
- (jjjj) “**Shortfall**” means that certain amount of silicon metal to be sold by QSLP to DCC on a monthly basis from January 1, 2011 to December 31, 2012, in order to replace that certain amount of silicon metal that was part of the QSLP production allocation that DCC was entitled to receive but was instead sold to by QSLP to BSI pursuant to Section 2.2(b) of the Output and Supply Agreement;
- (kkkk) “**Silicon Metal Accounts Receivable**” means all accounts receivable (net of doubtful accounts) owing to BSI in respect of the silicon metals business of BSI except for (i) any tax refunds or credits or (ii) any Litigation Claims;
- (llll) “**Silicon Metal Contracts**” means the Contracts relating solely to the Purchased Silicon Metal Assets set forth in Schedule “G”;

- (mmmm) **"Specific Conveyances"** means all conveyances, deeds of transfer, share transfers, bills of sale, assignments and transfers that are reasonably required to transfer the Purchased Assets to the Purchaser in customary form consistent with Section 2.2;
- (nnnn) **"Stalking Horse Agreement"** has the meaning set out in the recitals hereto;
- (oooo) **"Statement of BSI Working Capital"** has the meaning set forth in Section 3.6(d) or 3.6(e), as applicable;
- (pppp) **"Subsequent DIP Amendment"** has the meaning set forth in Section 3.10;
- (qqqq) **"Successful Bid"** has the meaning set out in the Bidding Procedures;
- (rrrr) **"Successful Bidder"** has the meaning set out in the Bidding Procedures;
- (ssss) **"Termination Date"** means July 1, 2012 or, in the event the Agreement is the Back Up Bid, 60 days from the date the Purchaser receives written notice that the Purchaser is the Successful Bidder in accordance with Section 3.3 hereof;
- (tttt) **"Transaction"** means the transaction of purchase and sale contemplated by this Agreement;
- (uuuu) **"Transfer Taxes"** means all present and future transfer taxes, sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees, and any other similar or like taxes and charges imposed by a Governmental Authority in connection with the sale, transfer or registration of the transfer of the Purchased Assets, including Sales Tax but excluding any taxes imposed or payable under the Income Tax Act and any other applicable income tax legislation; and
- (vvvv) **"Vendors"** has the meaning set out in the recitals hereto.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular section hereof. The expression "Section" or reference to another subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement.

1.3 Extended Meanings

Words importing the singular include the plural and vice versa and words importing gender include all genders. The term "including" means "including, without limitation," and such terms as "includes" have similar meanings.

1.4 Schedules

The following Schedules are incorporated in and form part of this Agreement:

Schedule "A"	-	Purchased Silicon Metal Assets
Schedule "B"	-	BSI Owned Property
Schedule "C"	-	Intentionally Deleted
Schedule "D"	-	Bidding Procedures Order
Schedule "E"	-	Permitted Encumbrances
Schedule "F"	-	QSLP Contracts
Schedule "G"	-	Silicon Metal Contracts
Schedule "H"	-	Intentionally Deleted
Schedule "I"	--	Monthly Reimbursement
Schedule "J"	-	Intentionally Deleted
Schedule "K"	-	Consents and Approvals
Schedule "L"	-	Estimated BSI Working Capital Statement Schedule
"M"		Sample QSLP Working Capital Statement
Schedule "N"		Access Agreement Term Sheet

SECTION 2 SALE AND PURCHASE AND ASSIGNMENT

2.1 Sale and Purchase of Assets

Subject to the terms and conditions hereof, at the Closing Time, the Vendors hereby agree to sell, assign and transfer to the Purchaser and the Purchaser hereby agrees to purchase from the Vendors, all of the Vendors' right, title and interest in and to the Purchased Assets free and clear of all Encumbrances other than Permitted Encumbrances.

2.2 Assignment of Purchased Assets

Subject to the conditions and terms hereof, at the Closing Time, the Vendors shall assign to the Purchaser all of the Vendors' rights, benefits and interests in and to the Contracts and the Purchaser shall assume the obligations and liabilities of the Vendors under the Contracts at the Closing Time (including Cure Costs but excluding Post-Filing Costs). Notwithstanding the foregoing, this Agreement and any document delivered under this Agreement shall not constitute an assignment or an attempted assignment of any Purchased Asset contemplated to be assigned to the Purchaser under this Agreement that is

not assignable without the Consent and Approval of a third party unless (i) such Consent and Approval has been obtained or (ii) the assignment has been ordered by the Court.

Prior to the application for the Approval and Vesting Order, the Vendors shall use their commercially reasonable efforts to obtain any Consent and Approval necessary for the assignment of any Contract to the Purchaser, including the DCC Consent. The Purchaser shall provide its reasonable cooperation to assist the Vendors in obtaining any such Consents and Approvals.

To the extent any Consent and Approval, including the DCC Consent, necessary for the assignment of any Contract to the Purchaser is not obtained prior to the application for the Approval and Vesting Order, the Vendors shall bring an application to the Court for approval of the Assignment Order.

2.3 "As is, Where is"

The Purchaser acknowledges that the Vendors are selling the Purchased Assets on an "as is, where is" basis as they shall exist at the Closing Time. Except as otherwise provided in Section 4.2(c) and 4.2(d), the Purchaser further acknowledges that it has entered into this Agreement on the basis that the Vendors do not guarantee title to the Purchased Assets. No representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition, quantity or quality or in respect of any other matter or thing whatsoever concerning the Purchased Assets or the right of the Vendors to sell or assign same save and except as expressly represented or warranted herein. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario), as amended, the Civil Code of Québec or similar legislation do not apply hereto and have been waived by the Purchaser. The description of the Purchased Assets contained in the Schedules is for purpose of identification only. Except as otherwise provided in Section 4.2, no representation, warranty or condition has or will be given by the Vendors concerning completeness or accuracy of such descriptions.

2.4 Assumed Obligations

The Purchaser shall assume and perform, discharge and pay when due the 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 Time and all Cure Costs (other than Post-Filing Costs) of the Vendors (the "**Assumed Obligations**") after the Closing. Notwithstanding anything to the contrary contained herein, in no event shall the Purchaser's obligations to pay Cure Costs hereunder exceed a maximum aggregate amount of C\$10,000,000.

2.5 Excluded Obligations

Other than the Assumed Obligations, and all the obligations to be assumed pursuant to Sections 3.5 and 6.11 the Purchaser shall not assume and shall not be liable, directly or indirectly, or otherwise responsible for any debts, liabilities or other obligations of the

Vendors (to any Person, including without limitation QSLP), including, without limiting the generality of the foregoing:

- (a) all debts, liabilities, obligations or Claims related to any Benefit Plans, Collective Agreements, Employees, Pension Plans, Post-Retirement Liabilities or any Excluded Asset;
- (b) all debts, liabilities and obligations related to any Purchased Asset (including Contracts but excluding Cure Costs) arising out of or related to the period prior to the Closing Time;
- (c) all obligations and liabilities owing by either Vendor to the other Vendor or any Affiliate thereof (for greater certainty other than Cure Costs excluding Post-Filing Costs);
- (d) all debts, liabilities and obligations for or related to any obligation for any taxes that are not expressly assumed by the Purchaser pursuant to Sections 2.4 and 3.5;
- (e) all taxes imposed on or relating to the Purchased Assets that are attributable to any pre-Closing tax period whether or not any such period ends on or before the Closing Date (other than any Transfer Taxes);
- (f) all debts, liabilities and obligations of the Vendors arising under this Agreement; and
- (g) any debts, liabilities, obligations or Claims (other than Claims under any QSLP Contracts) by any person, including without limitation QSLP, against the Vendors relating to amounts payable to, or in respect of, BSI's hourly retirees under the Collective Agreements or under the Benefit Plans.

**SECTION 3
PURCHASE PRICE**

3.1 Purchase Price

The aggregate purchase price (the "Purchase Price") payable by the Purchaser to the Vendors for the Purchased Assets is: (i) the sum of ~~C\$26,875,000~~ payable in cash and (ii) the assumption by the Purchaser of the Assumed Obligations subject to the adjustment, if any, in accordance with Section 3.7.

3.2 Satisfaction of Purchase Price

Provided that all conditions of Closing have been satisfied or waived in accordance with Section 5, the Purchase Price shall be paid and satisfied on Closing as follows:

~~\$ 31,575,000.00~~ \$ 31,875,000.00
~~\$ 29,375,000.00~~
~~\$ 20,875,000.00~~
~~\$ 20,375,000.00~~
~~\$ 27,875,000.00~~
~~\$ 27,375,000.00~~

- (a) the crediting and set off of the Deposit against outstanding amounts owing to the DIP Lender under the DIP Facility pursuant to the DIP Amendment and, if applicable, the Subsequent DIP Amendment;
- (b) the application of all outstanding amounts owing to the DIP Lender under the DIP Facility (including any accrued interest thereon and any expenses and other amounts owing thereunder) in excess of the Deposit to the Purchase Price;
- (c) the balance of the cash portion of the Purchase Price (the "**Closing Cash Payment**" and together with the Deposit and the amount referred to in clause (b) above, the "**Closing Cash Purchase Price**") shall be paid on the Closing Date by wire transfer in immediately available funds payable to the Monitor pending further Order of the Court;
- (d) the assumption by the Purchaser of the Assumed Obligations.

Any adjustment required to be made to the Purchase Price in accordance with Section 3.7 shall be satisfied by the payment of the appropriate amount by the Party owing such payment to the other Party entitled thereto in the manner and at the time contemplated therein.

3.3 Deposit

Effective upon the execution of this Agreement by all of the Parties, the Purchaser shall provide to the Monitor, for and on behalf of the Vendors, a deposit (the "**Deposit**") of 15% of the Closing Cash Purchase Price (excluding any adjustment contemplated under Section 3.7 less the amount of the Deposit provided in accordance with section 3.3 of the Stalking Horse Agreement (which amount for greater certainty shall form part of the Deposit hereunder), pursuant to the credit and set off arrangement contemplated under the DIP Amendment. If the Closing takes place, the Deposit shall be credited and set off against the outstanding amounts owing to the DIP Lender under the DIP Facility pursuant to 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 hereunder. For greater certainty, the Parties agree that the DIP Amendment shall apply to this Agreement. Notwithstanding any provision herein, there will be no credit or set off of the amount of the Deposit to outstanding amounts owing to the DIP Lender under the DIP Facility on the Business Day following the occurrence of the earliest of any of the following (and the Vendors shall acknowledge the same in writing to the Purchaser):

- (a) if this Agreement is not the Successful Bid or the Back-Up Bid (as determined at the closing of the Auction pursuant to section 9(e) of the Bidding Procedures);

- (b) if this Agreement is the Back-Up Bid and the transaction contemplated by the Successful Bid of another purchaser is closed; or
- (c) if the Transaction is not completed by the Termination Date and either the Vendors or the Purchaser have terminated the Transaction thereafter for any other reason other than solely as a result of the failure of the Purchaser to perform any of its obligations hereunder.

If the Successful Bid does not close and this Agreement is the Back-Up Bid, the Vendors shall immediately provide written notice to the Purchaser of this fact pursuant to the Bidding Procedures. Upon receipt by the Purchaser of such notice at least 5 Business Days prior to the Termination Date, the Purchaser shall be required to close the Transaction on the same terms set out herein or in the Purchaser's revised bid, as applicable, by no later than the Termination Date and the Deposit shall be credited and set off as provided in Section 3.2.

3.4 Allocation of Purchase Price

The Purchase Price shall be allocated among the Purchased Assets by the Purchaser, acting reasonably, two Business Days prior to the Closing, a copy of which will be provided to the Vendors at such time. The Vendors and the Purchaser agree that the allocation of the Purchase Price for tax purposes among each of the classes of Purchased Assets of each of the Vendors shall be determined and agreed upon on a date no later than five (5) Business Days before the Closing Date. Each of the Vendors and the Purchaser shall report the sale and purchase of the Purchased Assets for all tax purposes in a manner consistent with such allocation, and will complete all tax returns, designations and elections in a manner consistent with such allocation and otherwise follow such allocation for all tax purposes on and subsequent to the Closing Date and may not take any position inconsistent with such allocation.

3.5 Transfer and Other Taxes

The Parties agree that:

- (a) the Purchase Price is exclusive of all Transfer Taxes and the Purchaser shall be liable for and shall pay any and all applicable Transfer Taxes pertaining to the Purchaser's acquisition of the Purchased Assets or the registration of any Specific Conveyance necessitated hereby (including for greater certainty all debts, liabilities and obligations of the Vendors for Transfer Taxes payable in connection with the Transaction);
- (b) the Purchaser shall indemnify the Vendors for any Transfer Taxes (including any interest or penalties imposed by a Governmental Authority) for which the Vendors may become liable as a result of any failure by the Purchaser to pay or remit such Transfer Taxes;

- (c) if applicable, they shall jointly elect that no Sales Tax be payable pursuant to the Sales Tax Legislation with respect to the purchase and sale of the Purchased Assets under this Agreement and the Purchaser will file an election pursuant to section 167 of the Excise Tax Act and s. 75 of *An Act Respecting the Québec Sales Tax* (Québec), prepared by the Purchaser and made jointly by the Purchaser and each Vendor, in compliance with the requirements of the Sales Tax Legislation; and
- (d) the Purchaser shall perform, discharge and pay when due all debts, liabilities and obligations for realty taxes in respect of the Purchased Assets attributable to the period from and after the Closing Date.

3.6 Preparation of BSI Working Capital Statement

- (a) Within 20 Business Days following the Closing Date (or such other date as is mutually agreed to by the Vendors and the Purchaser in writing), the Purchaser will prepare and deliver to the Vendors and the Monitor a draft statement of BSI Working Capital (the "**Draft Statement of BSI Working Capital**") prepared as of the Closing Date. The Draft Statement of BSI Working Capital will be prepared in accordance with IFRS consistent with the Estimated BSI Working Capital Statement referred to in Schedule "L", provided that it is consistent with IFRS.
- (b) The Vendors will have 10 Business Days to review the Draft Statement of BSI Working Capital following receipt of it and the Vendors must notify the Purchaser in writing if they have any objections to the Draft Statement of BSI Working Capital within such 10 Business Day period. The notice of objection must contain a statement of the basis of the Vendors' objections.
- (c) If the Vendors send a notice of objection of the Draft Statement of BSI Working Capital in accordance with Section 3.6(b), the Parties will work expeditiously and in good faith in an attempt to resolve such objections following the date of notification by the Vendors to the Purchaser of such objections. Failing resolution of any objection to the Draft Statement of BSI Working Capital raised by the Vendors, within 90 days following the date of notification by the Vendors to the Purchaser of such objections, the Vendors or the Purchaser may bring a motion before the Court for a determination of such objections with respect to the Draft Statement of BSI Working Capital.
- (d) If the Vendors do not notify the Purchaser of any objection in accordance with Section 3.6(b), the Parties are deemed to have accepted and approved the Draft Statement of BSI Working Capital and such Draft Statement of BSI Working Capital will be final, conclusive and binding upon the Parties, and will not be subject to appeal, absent manifest error. The Draft Statement of BSI Working Capital will become the "**Statement of BSI**

Working Capital” on the next Business Day following the end of such 5 Business Day period.

- (e) If the Vendors send a notice of objection within the 5 Business Day period, the Parties will revise the Draft Statement of BSI Working Capital to reflect the final resolution amongst the Vendors and the Purchaser or final determination by the Court of such objections under Section 3.6(c) within two Business Days following such final resolution amongst the Vendors and the Purchaser or determination by the Court, as applicable. Such revised Draft Statement of BSI Working Capital will be final, conclusive and binding upon the Parties, and will not be subject to appeal, absent manifest error. The Draft Statement of BSI Working Capital will become the **“Statement of BSI Working Capital”** on the next Business Day following revision of the Draft Statement of BSI Working Capital under this Section 3.6(e).
- (f) The Purchaser and the Vendors will each bear their own fees and expenses, in preparing or reviewing, as the case may be, the Draft Statement of BSI Working Capital.

3.7 BSI Working Capital Purchase Price Adjustment

- (a) Subject to Section 3.7(c), the Purchase Price will be increased or decreased, as the case may be, dollar-for-dollar, to the extent that the BSI Working Capital, as determined from the Statement of BSI Working Capital, is more or less than C\$4,509,000.
- (b) Subject to Section 3.7(c), if the BSI Working Capital, as determined from the Statement of BSI Working Capital, is more than C\$4,509,000, the Purchaser will pay to the Vendor the amount of such difference as an increase to the Purchase Price. If the BSI Working Capital as determined from the Statement of BSI Working Capital is less than C\$4,509,000, the Vendors shall pay to the Purchaser the amount of the difference. Any amounts to be paid by the Purchaser to the Vendors, or by the Vendors to the Purchaser, under this Section will be paid within 2 Business Days after the Draft Statement of BSI Working Capital becomes the Statement of BSI Working Capital in accordance with Section 3.6(d) or Section 3.6(e), as the case may be.
- (c) If the adjustment arising from BSI Working Capital, as determined from the Statement of BSI Working Capital, would increase or decrease the Purchase Price by an amount of less than C\$150,000, then there shall be no adjustment to the Purchase Price; provided, however that any such adjustment of C\$150,000 or more shall increase or decrease the Purchase Price, dollar for dollar, for the entire amount of the adjustment.

3.8 Sufficiency of Funds

The Vendors will not distribute an amount of the Purchase Price equal to C\$4,509,000 (or, after preparation of the Draft Statement of BSI Working Capital, such lesser amount equal to the difference between C\$4,509,000 and the BSI Working Capital amount shown on the Draft Statement of BSI Working Capital) until the Statement of BSI Working Capital is determined in accordance with Section 3.6.

3.9 Preparation of QSLP Working Capital Statement

- (a) Ten Business Days prior to the expected Closing Date (or such other date as is mutually agreed to by the Vendors and the Purchaser in writing), the Vendors will prepare in good faith and deliver to the Purchaser and the Monitor a draft statement of QSLP Working Capital (the "**Closing Date Draft Statement of QSLP Working Capital**") as of the Closing Date (or such other date as mutually agreed by the Vendors and Purchaser in writing). The Closing Date Draft Statement of QSLP Working Capital will be prepared in accordance with IFRS and the Sample QSLP Working Capital Statement. For the avoidance of doubt, in the Sample QSLP Working Capital Statement, a provision against certain accounts receivable from BSI amounting to approximately C\$9,700,000 has been booked and considered as of January 2012 as set forth in Schedule "M". Such provisions in at least the same amount shall also be booked and considered when calculating the QSLP Current Assets as of the Closing Date notwithstanding a potential assumption by the Purchaser hereunder of the underlying obligation to make the respective payment to QSLP.
- (b) The Purchaser will have 5 Business Days to review the Closing Date Draft Statement of QSLP Working Capital following receipt of it and the Purchaser must notify the Vendors in writing if they have any objections to the Closing Date Draft Statement of QSLP Working Capital within such 2 Business Day period. The notice of objection must contain a statement of the basis of the Purchaser's objections.
- (c) If the Purchaser sends a notice of objection of the Closing Date Draft Statement of QSLP Working Capital in accordance with Section 3.9(b), the Vendors or the Purchaser may bring a motion before the Court for a determination of such objections with respect to the Closing Date Draft Statement of QSLP Working Capital.
- (d) If the Purchaser does not notify the Vendors of any objection in accordance with Section 3.9(b), the Parties are deemed to have accepted and approved the Closing Date Draft Statement of QSLP Working Capital and such Closing Date Draft Statement of QSLP Working Capital will be final, conclusive and binding upon the Parties, and will not be subject to appeal, absent manifest error. The Closing Date Draft Statement of QSLP

Working Capital will become the “Closing Date Statement of QSLP Working Capital” on the next Business Day following the end of such 2 Business Day period.

- (e) If the Purchaser sends a notice of objection within the 2 Business Day period, the Parties will revise the Closing Date Draft Statement of QSLP Working Capital to reflect the final resolution amongst the Vendors and the Purchaser or final determination by the Court of such objections under Section 3.9(c) within two Business Days following such final resolution amongst the Vendors and the Purchaser or determination by the Court, as applicable. Such revised Closing Date Draft Statement of QSLP Working Capital will be final, conclusive and binding upon the Parties, and will not be subject to appeal, absent manifest error. The Draft Statement of QSLP Working Capital will become the “Closing Date Statement of QSLP Working Capital” on the next Business Day following revision of the Closing Date Draft Statement of QSLP Working Capital under this Section 3.9(e).
- (f) The Purchaser and the Vendors will each bear their own fees and expenses, in preparing or reviewing, as the case may be, the Draft Statement of QSLP Working Capital.
- (g) The Vendors will provide the Purchaser full access to its Books and Records and other such information reasonably necessary for it to evaluate the Closing Date Draft Statement of QSLP Working Capital.

3.10 Extension and Increase of DIP Facility

Provided that Closing is not delayed due to the failure of the Vendors to fulfill the conditions under sections 5.1 and 5.3 or any breach of the representations and warranties of the Vendors in section 4.2, the DIP Facility shall be amended as follows (the “Subsequent DIP Amendment”):

- (a) If the Purchaser is the Successful Bidder, in the event Closing has not occurred by June 8, 2012, by increasing the amount of the DIP Facility by up to a maximum amount of \$2.5 million;

provided that in (a) above, the Vendors shall repay to the Purchaser any amounts owing pursuant to any Subsequent DIP Amendment by (i) crediting of such amount against the Purchase Price as set forth in section 3.2(a) hereof on or before Closing, or (ii) if this Agreement is terminated for any reason, by payment into an account designated by the Purchaser, within two (2) Business Days of such termination.

SECTION 4 REPRESENTATIONS AND WARRANTIES

4.1 Purchaser's Representations

The Purchaser represents and warrants to the Vendors as of the date hereof and as of the Closing Time that and acknowledges that the Vendors are relying on such representations and warranties in connection with entering into this Agreement and performing their obligations hereunder:

- (a) the Purchaser is a corporation duly incorporated, organized and subsisting under the laws of the Cayman Islands and has the requisite power and authority to enter into this Agreement and to complete the transactions contemplated hereunder;
- (b) the Purchaser has taken all necessary corporate action to authorize the entering into and performance by it of this Agreement and completion of the transactions contemplated herein will not breach its constating documents, any agreement binding upon the Purchaser or any Applicable Laws with respect to the Purchaser;
- (c) other than the Bidding Procedures Order, the Approval and Vesting Order, the Assignment Order (if applicable) and any Specific Conveyances, execution, delivery and performance of this Agreement by the Purchaser does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority;
- (d) this Agreement and all other documents contemplated hereunder to which the Purchaser is or will be a party have been or will be, as at the Closing Time, duly and validly executed and delivered by the Purchaser and constitute or will, as at the Closing Time, constitute legal, valid and binding obligations of the Purchaser enforceable in accordance with the terms hereof or thereof;
- (e) except in connection with the CCAA Proceedings, there are no proceedings before or pending before any Governmental Authority, or threatened to be brought by or before any Governmental Authority by or against the Purchaser affecting the legality, validity or enforceability of this Agreement or the consummation of the transactions contemplated hereby by the Purchaser;
- (f) the Purchaser is not subject to any order of any Governmental Authority, nor are there any such orders threatened to be imposed by any Governmental Authority, which could affect the legality, validity or

enforceability of this Agreement or the consummation of the transactions contemplated hereby by the Purchaser;

- (g) the Purchaser has or will have made adequate arrangements to have sufficient funds available to satisfy its obligations to pay the Purchase Price as set forth in Section 3.2;
- (h) the Purchaser is controlled by a WTO Investor, within the meaning of the Investment Canada Act; and
- (i) the Purchaser and its affiliates do not have assets in Canada that exceed \$100 million or gross revenues from sales in, from or into Canada that exceed \$100 million, all as determined in accordance with Part IX of the Competition Act and the Notifiable Transactions Regulations thereunder.

4.2 Vendors' Representations

The Vendors, jointly and severally, represent and warrant to the Purchaser as of the date hereof and as of the Closing Time as follows and acknowledge that the Purchaser is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (a) Timminco is a corporation duly incorporated, organized and subsisting under the *Canada Business Corporations Act*;
- (b) BSI is a corporation duly organized and subject to and subsisting under the *Business Corporations Act* (Québec);
- (c) except as disclosed in the Disclosure Letter, BSI has good and marketable title to the QSLP Equity, free and clear of Encumbrances other than the Permitted Encumbrances. The total issued and outstanding securities of QSLP consist of 100,010 units. The total issued and outstanding capital of QSGP consists of 51 Class A Shares and 49 Class B Shares. Except as set forth in the QSLP Contracts, there are no existing rights or privileges to acquire any unissued securities of QSLP or QSGP or any of such outstanding securities held by BSI or QSGP;
- (d) except as disclosed in the Disclosure Letter and as of the file currency date specified therein, BSI is the sole and unconditional legal and beneficial owner of and has good and marketable title to the BSI Owned Property and is the sole and unconditional beneficial and legal owner of and has good and marketable title to the other material Purchased Assets, excluding Contracts and Intellectual Property, free and clear of Encumbrances other than Permitted Encumbrances;

- (e) except as disclosed in the Disclosure Letter and as of the file currency date specified therein, (i) QSLP has good and marketable title to all of the material personal property purported to be owned by QSLP and the QSLP Real Property and has a valid leasehold interest in the QSLP Mineral Rights; (ii) the QSLP Mineral Rights are in good standing and in full force and effect; and (iii) the QSLP Mineral Rights and product derived from the QSLP Mineral Rights are not subject to or bound by any royalty, royalty interest or similar payment or interest or other Encumbrances;
- (f) except as would not result in a Material Adverse Change and except as disclosed in the Disclosure Letter, to the best of the Vendors' and their management's knowledge: (i) the use of the BSI Owned Property by BSI is in compliance with and not subject to any liability under Applicable Laws related to environmental protection, restoration and rehabilitation, occupational health and safety or natural resources matters and (ii) QSLP's operations are in compliance with and not subject to any liability under Applicable Laws related to environmental protection, restoration and rehabilitation, natural resource or occupational health and safety matters;
- (g) except as disclosed in the Disclosure Letter, the Vendors have not licensed their rights in any Intellectual Property held by the Vendors, to any Person. The Vendors have not received from any Person any notice (written or oral) that any of the Vendor's registered Intellectual Property is invalid or defective, or the use of such registered Intellectual Property is or would be infringing, misappropriating or violating in any way any Intellectual Property of such Person;
- (h) the Vendors and their management are unaware of any pending challenge to the validity of Silicon Metal Contracts or the transactions contemplated thereunder and has not received any written notice threatening any such challenge;
- (i) the aggregate amount of the Shortfall at its highest was 5,440 metric tons. As at January 30, 2012, QSLP had produced and delivered to DCC no less than 2,500 metric tons of silicon metal at BSI's request in satisfaction of BSI's obligation to DCC in respect of the Shortfall;
- (j) excluding the CCAA Proceedings, the Vendors are not subject to any order of any Governmental Authority, nor are there any such orders threatened to be imposed by any Governmental Authority, which could affect the legality, validity or enforceability of this Agreement or the consummation of the transactions contemplated hereby by the Vendors;

- (k) subject to obtaining the Approval and Vesting Order, the Vendors have the requisite power and authority to enter into this Agreement and to complete the transactions contemplated hereunder;
- (l) subject to obtaining the Approval and Vesting Order, each of the Vendors has taken all necessary corporate action to authorize the entering into and performance by it of this Agreement and the entering into of this Agreement and completion of the transactions contemplated herein will not breach its constating documents;
- (m) other than the CCAA Proceedings, there are no proceedings before or pending before any Governmental Authority, or threatened to be brought by or before any Governmental Authority by or against the Vendors or affecting any of the Purchased Assets, the legality, validity or enforceability of this Agreement or the consummation of the transactions contemplated hereby by the Vendors;
- (n) subject to obtaining the Approval and Vesting Order, this Agreement and all other documents contemplated hereunder to which the Vendors are or will be a party have been or will be, as at the Closing Time, duly and validly executed and delivered by each of the Vendors and constitute or will, as at the Closing Time, constitute legal, valid and binding obligations of each of the Vendors enforceable in accordance with the terms hereof or thereof;
- (o) neither Vendor is a non-resident of Canada for purposes of section 116 of the *Income Tax Act*;
- (p) the aggregate book value of the Purchased Assets does not exceed \$330 million, as calculated in accordance with the Investment Canada Act and the regulations thereto;
- (q) the Vendors and their affiliates do not have assets in Canada that exceed \$300 million or gross revenues from sales in, from or into Canada that exceed \$300 million, all as determined in accordance with Part IX of the Competition Act and the Notifiable Transactions Regulations thereunder;
- (r) each of the Vendors is a registrant for the purposes of tax imposed under (A) *An Act Respecting the Québec Sales Tax* (Québec) with the following registration numbers for Timminco and BSI, respectively, 1000873612 and 100829788, and (B) Part IX of the Excise Tax Act with the following registration numbers for Timminco and BSI, respectively, 105289094 RT0002 and 104881412 RT0001;
- (s) each of QSLP and QSGP has paid all taxes which are due and payable by it to all applicable Governmental Authorities and has remitted all

amounts that it withheld or collected on account of amounts that it was required by Applicable Law to have withheld or collected, including for all Canada Pension Plan contributions, provincial pension plan contributions, employment insurance premiums, employer health taxes, Sales Tax and any other material taxes to the appropriate Governmental Authority within the time required under Applicable Law;

- (t) no finder, broker or similar intermediary acting on behalf of the Vendors or any of their Affiliates is entitled to a commission, fee or other compensation from the Purchaser in connection with the negotiation, execution or delivery of this Agreement or the consummation of the Transaction; and
- (u) to the Vendors' knowledge, information and belief, after due inquiry, there are no pre-Closing breaches of contract under the QSLP Contracts listed in items 5 and 6 of Schedule F hereto.

4.3 Limitations

With the exception of the Vendors' representations and warranties in Section 4.2 and the Purchaser's representations and warranties in Section 4.1, neither the Vendors nor the Purchaser, nor their respective Representatives, nor any of their respective officers, directors or employees make, have made or shall be deemed to have made any other representation or warranty, express or implied, at law or in equity, in respect of the Vendors, the Purchaser, or the Purchased Assets or the sale and purchase of the Purchased Assets pursuant to this Agreement.

SECTION 5 CONDITIONS

5.1 Conditions - Purchaser

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 this 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 this 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 this Agreement and before the Closing Time, there shall not have occurred any Material Adverse Change;
- (f) the Closing Date Statement of QSLP Working Capital shall have been determined in accordance with Section 3.9(d) or Section 3.9(e) and the QSLP Working Capital shown on the Closing Date Statement by QSLP Working Capital shall not be less than \$7,500,000;
- (g) BSI shall have delivered to the Purchaser evidence, 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";
- (h) the Vendors shall deliver a certificate, 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.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition in this Section 5.1 may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing. If any condition set out in Section 5.1 is not satisfied or performed on or prior to the date specified therefor, the Purchaser may elect on written notice to the Vendors to terminate this Agreement.

5.2 Conditions - Vendors

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 this 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 this Agreement to the extent required to be performed at or before the Closing Time.

The foregoing conditions are for the exclusive benefit of the Vendors. Any condition in this Section 5.2 may be waived by the Vendors in whole or in part, without prejudice to any of their rights of termination in the event of non-fulfilment of any other condition in whole or in part. Any such waiver shall be binding on the Vendors only if made in writing. If any condition set forth in Section 5.2 is not satisfied or performed on or prior to the date specified therefor, the Vendors may elect on written notice to the Purchaser to terminate the Agreement.

5.3 Conditions – Purchaser and Vendors

The obligations of the Vendors and the Purchaser to complete the Transaction are subject to the following conditions being fulfilled or performed:

- (a) this 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);
- (b) 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);
- (c) no order shall have been issued by a Governmental Authority which restrains or prohibits the completion of the Transaction; and
- (d) 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.

The Parties hereto acknowledge that the foregoing conditions are for the mutual benefit of the Vendors and the Purchaser. If the conditions set out in this Section 5.3 are not satisfied performed or mutually waived on or before the Termination Date, any Party shall have the option to terminate this Agreement upon written notice to the other Parties.

SECTION 6 CLOSING

6.1 Closing

Subject to the conditions set out in this Agreement, the completion of the Transaction shall take place at the Closing Time at the offices of Stikeman Elliott LLP, Commerce Court West, 199 Bay Street, Toronto, Ontario, M5L 1B9, or as otherwise determined by mutual agreement of the Parties in writing, but, in any event, shall take place prior to the Termination Date.

6.2 Purchaser's Deliveries on Closing

At or before the Closing Time, the Purchaser shall execute and deliver, or arrange for the delivery, as the case may be, to the Vendors the following, each of which shall be in form and substance satisfactory to the Vendors, acting reasonably:

- (a) the Closing Cash Payment;
- (b) a payoff letter by the DIP Lender in respect of amounts outstanding under the DIP Facility including outstanding amounts advanced to the Vendors, interest accrued and unpaid thereon and any expenses and other amounts owing thereunder;
- (c) the Assignment and Assumption Agreement and any Specific Conveyance requiring execution by the Purchaser;
- (d) payment of Transfer Taxes required by Applicable Law to be collected by any Vendor, or alternatively, if applicable, the election(s) referred to in Section 3.5(c) executed by the Purchaser;
- (e) joinders to the applicable QSLP Contracts, as required thereunder;
- (f) a document specifying the Purchase Price allocation for tax purposes provided for in Section 3.4;
- (g) a certificate dated as of the Closing Date confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Purchaser has performed in all respects the covenants to be performed by it prior to the Closing Time;
- (h) an acknowledgement dated as of the Closing Date that each of the conditions precedent in Section 5.1 of this Agreement have been fulfilled, performed or waived as of the Closing Time;

- (i) an access agreement executed by the Purchaser substantially in accordance with the terms and conditions set out in the access agreement term sheet attached hereto as Schedule "N" (the "Access Agreement Term Sheet") and such reasonable and customary terms, conditions, representations, warranties, and covenants as typically found in agreements of this nature; and
- (j) such further and other documentation as is referred to in this Agreement or as the Vendors may reasonably require to give effect to this Agreement.

6.3 Vendors' Deliveries on Closing

At or before the Closing Time, the Vendors shall execute and deliver, or arrange for the delivery, as the case may be, to the Purchaser the following, each of which shall be in form and substance satisfactory to the Purchaser, acting reasonably:

- (a) an executed copy of each Specific Conveyance;
- (b) all Consents and Approvals, or with respect to any Consent and Approval which is not obtained, a notarial copy of an Assignment Order in lieu of such Consent and Approval;
- (c) the Assignment and Assumption Agreement and the Books and Records relating to the Purchased Assets;
- (d) a notarial copy of the Approval and Vesting Order;
- (e) a certificate dated as of the Closing Date confirming that there has been no Material Adverse Change; that all of the representations and warranties of the Vendors contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Vendors have performed in all material respects the covenants to be performed by them prior to the Closing Time;
- (f) an acknowledgement dated as of the Closing Date that each of the conditions precedent in Section 5.2 of this Agreement have been fulfilled, performed or waived as of the Closing Time;
- (g) an executed copy of the Monitor's Certificate;
- (h) stock/unit certificates or similar documents representing the QSLP Equity;
- (i) if applicable, the election(s) referred to in Section 3.5(c) executed by the Vendors;

- (j) resignation letters, effective as of the Closing Time, executed by each of the officers, directors or responsible persons nominated, elected or appointed by BSI in QSLP or QSGP;
- (k) an access agreement executed by Grupo Ferroatlantica, S.A substantially in accordance with the terms and conditions as set out in the Access Agreement Term Sheet and such reasonable and customary terms, conditions, representations, warranties and covenants as typically found in agreements of this nature; and
- (l) such further and other documentation as is referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement.

6.4 Possession of Assets

- (a) The Vendors shall remain in possession of the Purchased Assets until Closing. Until Closing and subject to the last sentence of this Section 6.4(a), the Vendors shall (i) subject to the Orders of the Court in the CCAA Proceedings, use the Purchased Assets only in the Ordinary Course of Business and use commercially reasonable efforts to maintain, preserve and protect the Purchased Assets in the condition in which they exist on the date hereof, other than ordinary wear and tear and other than replacements, dispositions, modifications or maintenance in the Ordinary Course of Business, (ii) not dispose of any of the Purchased Assets other than sale of inventory in the Ordinary Course of Business, and (iii) not enter into any material contract or agreement in respect of any of the Purchased Assets other than in the Ordinary Course of Business; except, in each case, with the prior written consent of the Purchaser, not to be unreasonably withheld, and provided that any failure to respond to any such request for consent within two (2) Business Days of receipt by the Purchaser of such request shall be deemed to be consent hereunder. Until Closing, and subject to the last sentence of this Section 6.4(a), BSI shall, to the extent it is empowered to do so pursuant to the QSLP Contracts and the rights attached to the QSLP Equity, (i) cause the business of QSLP to be conducted in the ordinary course consistent with the conduct of such business on the date hereof and (ii) cause QSLP not to make any distributions to the limited partners of QSLP. BSI and QSLP may enter into the HP2 Severance Transaction Documents after the date of this Agreement and before Closing and in connection therewith BSI shall provide updated Schedules "B" and "F" and an updated Disclosure Letter to reflect the transactions contemplated under the HP2 Severance Transaction Documents and such updated Schedules and the Disclosure Letter shall be accepted by the Purchaser as Schedule "B", "F" and the Disclosure Letter, as the case may be, hereunder, provided that the

Vendors shall only enter into a HP2 Severance Transaction Document if all HP2 Severance Transaction Documents are entered into on or before Closing.

- (b) On Closing, the Purchaser shall take possession of the Purchased Assets where situate at Closing. The Purchaser acknowledges that the Vendors have no obligation to deliver physical possession of the Purchased Assets to the Purchaser other than as set forth in Section 6.3(h). In no event shall the Purchased Assets be sold, assigned, transferred or set over to the Purchaser until the conditions set out in the Approval and Vesting Order have been satisfied and the Purchaser has satisfied all delivery requirements outlined in Section 6.2. The Purchaser shall promptly notify the Vendors of any Excluded Assets which may come into the possession or control of the Purchaser shall promptly release such Excluded Assets to the Vendors, or to such other Person as the Vendors may direct in writing, for greater certainty, title shall not be deemed to vest to the Purchaser in respect of any Excluded Assets. The Vendors shall have no obligation to remove any Excluded Equipment from any premises that constitute part of Purchased Assets. The Purchaser shall permit the Vendors and their agents and representatives to have reasonable access to such premises to prepare for sale, sell and remove any such Excluded Equipment for a period of three (3) months after the Closing Date. All right, title and interest in any such Excluded Equipment which is not sold or removed from such premises after three (3) months following Closing shall vest in the Purchaser unless the Purchaser objects to such title transfer in which case, right, title and interest shall continue to vest in the applicable Vendor but the Purchaser shall be entitled to dispose of such Excluded Equipment at the Purchaser's expense.

6.5 Material Adverse Change

The Vendors shall notify the Purchaser upon the occurrence of a Material Adverse Change or the occurrence of any material loss or damage to the Purchased Assets.

6.6 Access Rights

Upon at least two (2) Business Days' prior notice by the Purchaser to the Vendors and at any time (i) after the Purchaser has become the Successful Bidder, or (ii) after notice to the Purchaser from the Vendors of the occurrence of an event or circumstance referred to in Section 6.5, the Purchaser may have reasonable access to the Purchased Assets during normal business hours and in each case prior to Closing for the purpose of enabling the Purchaser to conduct such inspections of the Purchased Assets as it deems appropriate, acting reasonably. Such inspection shall only be conducted in the presence of a representative of the Vendors, if so required at the discretion of the Vendors. The Purchaser shall not conduct any tests, drilling or other invasive action with respect to the Purchased Assets without the prior written consent of the Vendors, which consent may be withheld in

the Vendors' sole and absolute discretion. The Purchaser agrees to indemnify and save the Vendors harmless from and against all claims, demands, losses, actions and costs incurred or arising from or in any way directly related to physical harm to property or people caused by the Purchaser's inspection of the Purchased Assets or the attendance of the Purchaser, its employees or agents at properties comprising part of the Purchased Assets. For greater certainty, the Purchaser shall not be responsible to indemnify and save the Vendors harmless from and against the findings of the Purchaser's inspection.

The Vendors shall continue to make the online data room available to the Purchaser, the Back-Up Bidder (as defined in the Bidding Procedures) and their respective employees and advisors.

6.7 Risk

The Purchased Assets shall be and remain at the risk of the Vendors to the extent of their interest until Closing and at the risk of the Purchaser from and after Closing. If, prior to Closing, the Purchased Assets or the assets of QSLP, shall be substantially damaged or destroyed by fire or other casualty, then, at its option, the Purchaser may decline to complete the Transaction. Such option shall be exercised within fifteen (15) days after notification to the Purchaser by the Vendors of the occurrence of damage or destruction (or prior to the Closing Date if such occurrence takes place within fifteen (15) days of the Closing Date) in which event this Agreement shall (for greater certainty and without limitation subject to Section 6.10) be terminated automatically. If the Purchaser does not exercise such option, it shall complete the Transaction and shall be entitled to an assignment of the proceeds of insurance referable to such damage or destruction. Where any damage or destruction is not substantial (or if it is substantial but the Purchaser declines its option to terminate), the Purchaser shall complete the Transaction and shall be entitled to an assignment of the proceeds of insurance referable to such damage or destruction provided that such damage or destruction is insured or, otherwise, to an agreed abatement. If any dispute arises under this section as to whether damage or destruction is substantial or with respect to the amount of any abatement, such dispute will be determined in accordance with Section 6.8.

6.8 Dispute Resolution

If any dispute arises:

- (a) under Section 6.7 as to whether any damage or destruction is substantial or with respect to the amount of any abatement; or
- (b) with respect to any other matter related to the Transaction or the interpretation or enforcement of this Agreement;

such dispute will be determined by the Court, or by such other Person or in such other manner as the Court may direct.

6.9 Termination

This Agreement shall automatically terminate at any time prior to the Closing Time upon the occurrence of any of the following:

- (a) by mutual written agreement of the Vendors and the Purchaser;
- (b) if the Agreement is not the Successful Bid or the Back-Up Bid (as determined pursuant to the Bidding Procedures); or
- (c) if the Agreement is the Back-Up Bid and the transaction contemplated by the Successful Bid is closed.

This Agreement may be terminated at any time prior to the Closing Time upon the occurrence of any of the following:

- (d) as provided in Section 5 (provided that the terminating Party has not breached its obligations under the Agreement in such a manner as to cause a closing condition not to be fulfilled) or Section 6.7; or
- (e) by any of the Parties (provided that the terminating Party has not breached its obligations under the Agreement in such a manner as to cause a closing condition not to be fulfilled) if Closing shall not have occurred on or prior to the Termination Date in accordance with Section 5.3.

If this Agreement is terminated in the circumstances set out in this Section, all further obligations of the Parties under this Agreement will terminate and neither Party shall have any liability or further obligations hereunder, except as contemplated in Section 6.10, which shall survive such termination.

6.10 Effects of Termination and Closing

- (a) If this Agreement is terminated pursuant to Section 5, 6.7 or 6.9, all further obligations of the Parties under or pursuant to this Agreement shall terminate without further liability of any Party to the other except for the provisions of: (i) Section 3.3 (Deposit); (ii) Section 6.10 (Effects of Termination and Closing); and (iii) Section 7.2 (Expense Reimbursement).
- (b) If the Transaction is not completed solely as a result of Purchaser's failure to perform any of its obligations hereunder, then the Deposit shall be forfeited to the Vendors as liquidated damages and the Vendors shall have no other rights and remedies against the Purchaser available at law or in equity.

- (c) Under no circumstance shall any of the Parties, their Representatives or their respective directors, officers, employees or agents be liable for any special, punitive, exemplary, consequential or indirect damages (including loss of profits) that may be alleged to result, in connection with, arising out of, or relating to this Agreement or the transactions contemplated herein.

6.11 Assumption of Obligations

At the Closing Time and conditional upon Closing, the Purchaser agrees to pay and be responsible for all the liabilities and obligations of the Vendors under the Contracts to the extent that such liabilities and obligations consist of liabilities or obligations that arise out of events or circumstances that occur after the Closing Time or are to be performed after the Closing Time.

SECTION 7 BIDDING PROCEDURES

7.1 Bidding Procedures Order

The Parties acknowledge and agree that the Bidding Procedures Order recognized the Stalking Horse Agreement as a baseline or "stalking horse bid" and approved the payment of the Expense Reimbursement in the circumstances set out in Section 7.2 of the Stalking Horse Agreement.

7.2 Expense Reimbursement

Notwithstanding the entry into of this Agreement, the Parties acknowledge and agree that the Expense Reimbursement remains payable in accordance with Section 7.2 of the Stalking Horse Agreement, as approved by the Bidding Procedures Order, and that nothing herein shall constitute or be deemed to constitute any amendment, alteration, modification to, or waiver of any rights in respect of, Section 7.2 of the Stalking Horse Agreement or the Bidding Procedures Order.

SECTION 8 PERFORMANCE GUARANTEE

8.1 Performance Guarantee

- (a) The Guarantor irrevocably and unconditionally guarantees the timely and complete performance of, and compliance with the Purchaser's obligations under Sections 3.1, 3.2 (excluding 3.2(d)), 3.4, 3.5, 3.6, 3.7, 9.1 and 9.10 (collectively, the "Guaranteed Obligations").
- (b) If for any reason the Purchaser fails at any time to perform or comply with any Guaranteed Obligation that is to be performed or complied with by

the Purchaser under this Agreement, then the Guarantor shall perform or comply with such Guaranteed Obligation in accordance with and subject to the provisions of this Agreement. Such performance or compliance by the Guarantor is deemed to be performance or compliance by the Purchaser under this Agreement.

- (c) The Guarantor is jointly and severally liable with the Purchaser for the performance of, and compliance with, the Guaranteed Obligations. The Vendors are not bound to proceed against the Purchaser or to pursue any rights or remedies against the Purchaser before being entitled to pursue its rights against the Guarantor.
- (d) The obligation of the Guarantor in this Section 8 shall terminate immediately upon Closing or a termination of this Agreement that is not solely as a result of a failure of the Purchaser to perform any of its obligations hereunder except, in the case of a Closing, for the Guaranteed Obligations in respect of (i) the determination of the Statement of BSI Working Capital in accordance with Section 3.6, (ii) the payment of the Purchase Price adjustment, if any, pursuant to Section 3.7 and (iii) the indemnity obligation of the Purchaser in Section 9.10 which shall survive until satisfaction of the matters referred to in paragraphs (i) and (ii) above have been completed and thereafter shall terminate (except in respect of any amounts that have become due under Section 9.10 prior to such date).
- (e) The guarantee shall be in favour of the Vendors and no other party shall be considered a third party beneficiary.

8.2 Absolute Liability

The liability of the Guarantor is absolute and unconditional irrespective of: (i) any lack of validity or enforceability of any Guaranteed Obligation against the Purchaser (other than the termination of any Guaranteed Obligations in accordance with the terms hereof); (ii) any change in the time or times for, or place or manner of performance or any other indulgences which the Vendors may grant to the Purchaser; (iii) any amendment, restatement, replacement, supplement, modification or renewal of this Agreement; (iv) any assignment of all or any part of this Agreement; (v) any limitation of status or power, disability, incapacity or other circumstance relating to the Purchaser, including any bankruptcy, insolvency, winding-up, dissolution, liquidation, restructuring or other creditors' proceedings involving or affecting the Purchaser; or (vi) any change in the ownership, control, name, objects, businesses, assets, capital structure or constitution of the Purchaser or any reorganization, amalgamation or other change in the existence of the Purchaser.

8.3 Defences

The liabilities and obligations of the Guarantor under this Section 8 are subject to the terms of this Agreement and will not exceed any liability or obligation of the Purchaser to the Vendors under this Agreement. The Guarantor is entitled to all rights, privileges and defences available to the Purchaser with respect to any obligation or liability, including without limitation all provisions of this Agreement relating to limitation of liability and the resolution of disputes.

8.4 Payment on Demand

The Guarantor will pay and perform its liabilities and obligations under this Section 8 immediately after demand for such payment and performance is made in writing to it. Under no circumstances shall the Guarantor's obligation hereunder exceed the Purchase Price, as it may be adjusted pursuant to Section 3.7. For the avoidance of doubt, upon the payment of the Purchase Price by the Guarantor, the Guarantor shall be subrogated to the rights of the Purchaser and subject to the obligations of the Purchaser, all in accordance with the terms of this Agreement.

SECTION 9 GENERAL

9.1 Access to Books and Records

- (a) For a period of 6 years from the Closing Date or for such longer period as may be required by Applicable Law, the Purchaser will retain all original Books and Records that are transferred to the Purchaser under this Agreement. So long as any such Books and Records are retained by the Purchaser pursuant to this Agreement and subject to Section 9.1(c), each Vendor (and any representative, agent, former director or officer or trustee in bankruptcy of the estate of either Vendor) has the right to inspect and to make copies (at its own expense) of them at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of the Purchaser.
- (b) Subject to Section 9.1(c), for a period of the lesser of (x) 6 years from the Closing Date and (y) so long as the Purchaser together with any Affiliate thereof controls QSLP or QSGP, the Purchaser shall cause QSGP to permit each Vendor (and any representative, agent or trustee in bankruptcy of the estate of either Vendor) to inspect the books and records of the Vendors maintained by QSGP and QSLP and to make copies (at its own expense) of them at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of the Purchaser. Any information received by the Purchaser or its representatives pursuant to this

Section 9.1 shall be held in strict confidence except as may be required by Applicable Law (including disclosure required in connection with any tax returns or bankruptcy and insolvency proceedings).

- (c) If a Vendor or its affiliates are engaged in any business that competes, directly or indirectly, with the business carried on by QSLP, then the Purchaser shall only be required to provide the right to inspect as contemplated in Section 9.1(a) or (b) to such Vendor if the sole purpose is of evaluating or preparing any of its tax returns, the sale of the remaining assets of either Vendor, in respect of any third party claim against such Person or in connection with any bankruptcy and insolvency proceeding. For greater certainty, the right of Monitor, any former director or officer or any trustee in bankruptcy of the estate of either Vendor to inspect books and records and make copies thereof shall not be restricted under this Section 9.1(c).

9.2 Notice

Any notice or other communication under this Agreement shall be in writing and may be delivered personally or transmitted by fax or e-mail, addressed:

in the case of the Purchaser, as follows:

QSI Partners Ltd.
1st Floor - Windward 1
Regatta Office Park
PO BOX 10338
Grand Cayman KY1-1003
Cayman Islands

Attention: Desiree Mercer
Fax: (345) 949-7230
Telephone: (345) 949-7232

with a copy to:

Torys LLP
79 Wellington Street West
Suite 3000
Toronto, Ontario
M5K 1N2

Attention: David Bish
Fax: (416) 865-7380
Email: dbish@torys.com

and in the case of the Guarantor, as follows:

Globe Specialty Metals, Inc.
One Penn Plaza
250 West 34th Street, Suite 4125
New York, NY 10119

Attention: Stephen Lebowitz
Fax: (212) 798-8137
Telephone: (212) 798-8122

with a copy to:

Torys LLP
79 Wellington Street West
Suite 3000
Toronto, Ontario
M5K 1N2

Attention: David Bish
Fax: (416) 865-7380
Email: dbish@torys.com

and in the case of the Vendors, as follows:

Timminco Limited
150 King Street West, 2401
Toronto, Ontario
M5H 1J9

Attention: Peter Kalins,
President, General Counsel and Corporate Secretary
Fax: (416) 364-3451
Email: PKalins@timminco.com

with a copy to:

Stikeman Elliott LLP
5300 Commerce Court West, 199 Bay Street
Toronto, Ontario
M5L 1B9

Attention: Daphne MacKenzie
Fax: (416) 947-0866
Email: dmackenzie@stikeman.com

with a copy to the Monitor:

FTI Consulting Canada Inc.
TD Waterhouse Tower, Suite 2010
79 Wellington Street
Toronto, Ontario
M5K 1G8

Attention: Nigel Meakin
Fax: (416) 649-8101
Email: nigel.meakin@fticonsulting.com

with a copy to:

Blake, Cassels & Graydon LLP
199 Bay Street
Suite 4000, Commerce Court West
Toronto, Ontario
M5L 1A9

Attention: Linc Rogers
Fax: (416) 863-2653
Email: Linc.Rogers@blakes.com

Any such notice or other communication, if given by personal delivery, will be deemed to have been given on the day of actual delivery thereof and, if transmitted by fax or e-mail before 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on such Business Day, and if transmitted by fax or e-mail after 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.

9.3 Time

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Vendors and the Purchaser or by their respective solicitors.

9.4 Currency

Except where otherwise indicated, all references herein to money amounts are in Canadian currency.

9.5 Survival

The representations and warranties of the Parties contained in this Agreement shall merge on Closing and the covenants of the Parties contained herein to be performed after the Closing shall survive Closing and remain in full force and effect.

9.6 Benefit of Agreement

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. Each Party intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person other than the Parties and their successors and permitted assigns, and no Person, other than the Parties and their successors and their permitted assigns, shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum.

9.7 Entire Agreement

This Agreement, the attached Schedules hereto, the letter contemplated in Sections 1.1(bbb) and 1.1(iiii), the Disclosure Letter and the confidentiality and standstill agreement dated as of January 6, 2012 between Timminco and the Purchaser, as supplemented by the addendum thereto dated as of January 11, 2012, the DIP Amendment, constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior negotiations, understandings and agreements. This Agreement may not be amended or modified in any respect except by written instrument executed by all of the Parties.

9.8 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with this Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

9.9 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and each of the Parties irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

9.10 Commission

The Purchaser agrees to indemnify the Vendors against any claim for compensation or commission by any third party or agent retained by the Purchaser in connection with, or in contemplation of, the Transaction and the Vendors shall jointly and severally indemnify the Purchaser for any third party or agent or broker fees or other commissions payable by the Vendors on the Purchase Price or otherwise in connection with the Transaction.

9.11 Assignment by Purchaser

This Agreement may not be assigned by the Purchaser without the prior written consent of the Vendors, which consent may be withheld in the Vendors' sole and absolute discretion; provided, however that the Purchaser shall be permitted to assign the benefit of all or a portion of this Agreement prior to or after Closing to an Affiliate thereof in circumstances where (i) prior notice of such assignment is provided to the Vendors, (ii) such assignee agrees to be bound by the terms of this Agreement to the extent of the assignment, and (iii) such assignment shall not release the Purchaser or the Guarantor (in the case of the Guarantor during the existence of the Guarantee) from any obligation or liability hereunder in favour of the Vendors and the Purchaser and the Guarantor (in the case of the Guarantor during the existence of the Guarantee) shall acknowledge and confirm their continuing obligations and liabilities in favour of the Vendors in form and substance satisfactory to the Vendors; for greater certainty, the Purchaser shall be permitted to assign the right to buy all or a portion of the Purchased Assets to one or more Affiliates and such assignment shall be permitted so long as the requirements of this Section 9.11 are complied with. This Agreement may not be assigned by the Vendors without the consent of the Purchaser.

9.12 Further Assurances

Each of the Parties shall, at the request and expense of the requesting party, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such documents (including registrations and removal of Encumbrances (other than Permitted Encumbrances)) and further assurances as may be reasonably necessary or desirable to give effect to this Agreement.

9.13 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or by e-mail of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.


9.14 Severability

Notwithstanding any provision herein, if a condition to complete the Transaction, or a covenant or an agreement herein, other than those contained in Section 3.1, Section 3.5, Section 6 or Section 8, is prohibited or unenforceable pursuant to applicable law, then such condition, covenant or agreement shall be ineffective to the extent of such prohibition or unenforceability without invalidating the other provisions hereof.

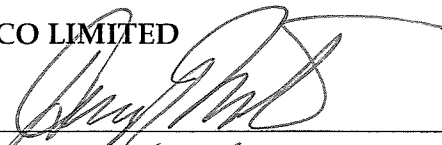
[THE REMAINDER OF THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.


BECANCOUR SILICON INC.

By: 
Name: *Peter A.M. Kalins*
Title: *President, General Counsel and
Corporate Secretary*

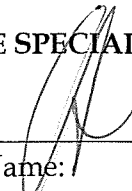
TIMMINCO LIMITED

By: 
Name: *Douglas Frazier*
Title: *CEO*

QSI PARTNERS LTD.

By: 
Name:
Title:

GLOBE SPECIALTY METALS, INC.

By: 
Name:
Title:

**Schedule A
Purchased Silicon Metal Assets**

**Schedule B
BSI Owned Property**

**Schedule C
Intentionally Deleted**

**Schedule D
Bidding Procedures Order**

**Schedule E
Permitted Encumbrances**

**Schedule F
QSLP Contracts**

**Schedule G
Silicon Metal Contracts**

**Schedule H
[Intentionally Deleted]**

**Schedule I
Monthly Reimbursement**

**Schedule J
Solar Grade Silicon Contracts**

**Schedule K
Consents and Approvals**

**Schedule L
Estimated Working Capital Statement**

**Schedule M
Sample QSLP Working Capital Statement**

Schedule A
Purchased Silicon Metal Assets

All of BSI's right, title and interest, in the QSLP Equity, the QSLP Contracts, the Silicon Metal Contracts and ancillary assets to the extent set forth in these Schedules.

1. Intellectual Property
 - (a) See attached Silicium Bécancour Inc. Non-Solar IP Portfolio Summary regarding patents and patent applications plus any other BSI patents or BSI patent applications relating to the silicon metal business (if any).
 - (b) Intellectual Property License Agreement among Québec Silicon Limited Partnership as Licensor and Bécancour Silicon Inc. and Dow Corning Corporation as Licensees, dated October 1, 2010.
 - (c) Intellectual Property License Agreement among Québec Silicon as Licensee and Bécancour Silicon Inc. and Dow Corning Corporation as Licensors, dated October 1, 2010.
 - (d) Intellectual property owned by Bécancour Silicon Inc. relating to the Composite Electrode Technology as such term is defined in the Intellectual Property Assignment Agreement dated September 30, 2010 between Bécancour Silicon Inc. and Québec Silicon Limited Partnership.
2. Silicon Metals Accounts Receivables
3. All Prepaid Expenses
4. All Inventory – Silicon Metals
5. All Inventory – Packing Supplies

SILICIUM BÉCANCOUR INC.

1- Title									
ELECTRODE FOR SILICON ALLOYS AND SILICON METAL									
Inventor(s):									
BOISVERT, RENÉ & DOSTALER, JACQUES & DUBOIS, JACQUES & KSINSIK, DIETER W.									
Subject #	Country	Application # / Pct	Filing Date	Priority	Owner	Registration Date / Number	Due Date(s)	Status / other	Expire
0001 EXPIRED	CANADA	2.204.425	02-05-1997		SKW CANADA INC.				
0003 EXPIRED	INTERNATIONAL P	PCT/CA98/00409	27-04-1998	2.204.425 02-05-1997 958.323 27-10-1997	SILICIUM BECANCOUR INC.				
0004 ACTIVE	SOUTH AFRICA	98/3689	30-04-1998	2.204.425 02-05-1997 958.323 27-10-1997	SKW CANADA INC.	27-01-1999 98/3689	Annual maintenance fee 30-04-2012		
0006 ACTIVE	BRAZIL	PI 9809347-9 PCT/CA98/00409	27-04-1998	2.204.425 02-05-1997 958.323 27-10-1997	SILICIUM BECANCOUR INC.		Annual maintenance fee 26-07-2012		16-11-2021
0012 ACTIVE	CANADA	2.286.658 PCT/CA98/00409	27-04-1998	2.204.425 02-05-1997 958.323 27-10-1997	BECANCOUR SILICON INC./SILICIUM BECANCOUR INC.	24-01-2006 2.286.658	Annual maintenance fee 27-04-2012		27-04-2018
0002 ACTIVE	UNITED STATES OF AM	958.323	27-10-1997	2.204.425 02-05-1997	BECANCOUR SILICON INC./SILICIUM BECANCOUR INC.	29-12-1998 5.854.807			27-10-2117
0005 ACTIVE	EUROPE	98 916 756.4 PCT/CA98/00409	27-04-1998	2.204.425 02-05-1997 958.323 27-10-1997	SILICIUM BECANCOUR INC.	17-07-2002 0 979 596	Annual maintenance fee 27-04-2012		
0011 ACTIVE	YUGOSLAV REPUB	P-94/99 PCT/CA98/00409	27-04-1998	2.204.425 02-05-1997 958.323 27-10-1997	SILICIUM BECANCOUR INC.	28-01-2003 900756	Annual maintenance fee 27-04-2012		
0008 ACTIVE	ICELAND	5219/1999 PCT/CA98/00409	27-04-1998	2.204.425 02-05-1997 958.323 27-10-1997	SILICIUM BECANCOUR INC.	15-11-2004 1955	Annual maintenance fee 27-04-2012		
0010 ACTIVE	NORWAY	19995254 PCT/CA98/00409	27-04-1998	2.204.425 02-05-1997 958.323 27-10-1997	SILICIUM BECANCOUR INC.	29-09-2003 315630	Annual maintenance fee 27-04-2012		
0007 ACTIVE	POLAND	P-336590 PCT/CA98/00409	27-04-1998	2.204.425 02-05-1997 958.323 27-10-1997	SILICIUM BECANCOUR INC.	29-07-2005 189321	Annual maintenance fee 27-04-2012		
0009 ACTIVE	SLOVAKIA	PV 1493-99 PCT/CA98/00409	27-04-1998	2.204.425 02-05-1997 958.323 27-10-1997	SILICIUM BECANCOUR INC.	14-08-2008 286447	Annual maintenance fee 27-04-2012		

**Schedule B
BSI Owned Property**

1. Owned Property

HP2 PROPERTY:

Registered (legal) owner: QSGP (as nominee for BSI)

Beneficial owner: BSI

DESCRIPTION OF IMMOVABLE

An immovable situated in the City of Bécancour, Province of Québec, known and designated as being lot number FOUR MILLION SEVEN HUNDRED AND TWO THOUSAND FOUR HUNDRED NINETY-SEVEN (4 702 497) of the Cadastre of Québec, Registration Division of Nicolet (Nicolet 2).

With the buildings located thereon (other than Excluded Assets and all other structures, fixtures, and equipment), including the building bearing the civic address 6400 Yvon-Trudeau Street, City of Bécancour, Province of Québec, G9H 2V8. For greater certainty, the Purchased Assets shall not include any personal or immovable property.

The whole as it is currently found with all that is or will be incorporated, attached, joined or united by accession to this immovable and that is considered an immovable under the law.

2. [Intentionally Deleted.]

3. [Intentionally Deleted.]

4. [Intentionally Deleted.]

5. [Intentionally Deleted.]

6. [Intentionally Deleted.]

For greater certainty, no personal property or movable property leased by BSI or subject to a registered movable hypothec created thereon under Article 2954 of the Civil Code of Québec upon the acquisition of such movable asset or subject to a title retention arrangement in favour of the vendor thereof shall be included in the Purchased Assets.

Schedule C
Intentionally Deleted

Schedule D
Bidding Procedures Order

Intentionally Deleted

Schedule E
Permitted Encumbrances

1. Other than for any restriction in respect of any of the transactions contemplated by this Agreement, the transfer restrictions on the shares in the capital of Québec Silicon General Partner Inc. pursuant to the Articles of Incorporation of Québec Silicon General Partner Inc.
2. Other than for any restriction in respect of any of the transactions contemplated by this Agreement, the transfer restrictions on the shares in the capital of Québec Silicon General Partner Inc. pursuant to the Shareholders Agreement between all the Shareholders of Québec Silicon General Partner Inc. dated October 1, 2010.
3. Other than for any restriction in respect of any of the transactions contemplated by this Agreement, the transfer restrictions on the units of Québec Silicon Limited Partnership pursuant to the Amended and Restated Limited Partnership Agreement between Dow Corning Corporation and Québec Silicon General Partners Inc. dated October 1, 2010.
4. The right reserved to or vested in any municipality or government, or to any statutory or public authority, by the terms of any grant or permit acquired by the Vendors or any statutory provision to terminate any such grant or permit, or to require annual or other periodic payments as a condition to the continuance thereof.
5. The reservations, limitations, provisos and conditions (if any) expressed in any original grant from the Crown.
6. Servitudes, easements, rights of way or similar rights in land granted to or reserved by other persons, including without limitation:
 - a. a servitude of passage by foot and vehicles against lot 3 417 110 of the Cadastre of Québec, Registration Division of Nicolet (Nicolet 2), in favour of the HP2 Property and the Facility, created by virtue of a Deed of Transfer registered at the Registry Office for the Registration Division of Nicolet 1 (Bécancour) under number 94 002;
 - b. a servitude in favour of the HP2 Property and the Facility (with greater extent) to construct railroad tracks on lot 708-30, now known as lot 3 294 053 of the Cadastre of Québec, Registration Division of Nicolet (Nicolet 2) to connect railroad lines to the main lines of the Canadian National Railway Company situated on lot 708-12, now known as lot 3 417 065 of the Cadastre of Québec, Registration Division of Nicolet (Nicolet 2) created by virtue of a Deed of Transfer registered at the Registry Office for the Registration Division of Nicolet 1 (Bécancour) under number 94 002;
 - c. rights and obligations resulting from the Deed of Transfer registered at the Registry Office for the Registration Division of Nicolet 1 (Bécancour) under number 94 002, including, without limitation, a right of access to and use of all roadways and other public facilities of the infrastructure of the Central Quebec

Industrial Park at Bécancour, rights of access and use of the harbour and dock facilities and the right of storage on the dock facilities in the Central Quebec Industrial Park at Bécancour, a right to erect a fence, a right to extend a private set of railroad tracks and a right to make available by means of water mains a supply of water sufficient to meet the needs;

- d. any and all servitudes to be granted in favour of and against the HP2 Property and the Facility by destination of proprietor and to be registered once executed.
7. Minor encroachments disclosed by and any errors or omissions existing in surveys of HP2 Property (described in Schedule B) or neighbouring properties and any title defect, encroachment or breach of a zoning, land-use or building by-law or any other Applicable Law, by-law or regulation which might be disclosed by a more up-to-date survey of the HP2 Property (described in Schedule B) and survey matters generally, provided that the same does not materially impair the use or materially affect the value of the HP2 Property (described in Schedule B) for the purposes of the Ordinary Course of Business.
 8. Minor title defects or irregularities which are of minor nature, encroachments, easements, rights-of-way, rights to use, servitudes or similar interests, including, without restricting the generality of the foregoing, any remarks, comments, reserves, information, comments, issues, errors or omissions contained in title opinions, summaries of limited subsearch and/or "note de service" of the HP2 Property (described in Schedule B) or which might be disclosed by more up-to-date title opinions, which are of minor nature provided that same does not materially impair the use or materially affect the value of the HP2 Property (described in Schedule B) for the purposes of the Ordinary Course of Business.
 9. Statutory or inchoate liens which relate to obligations not yet due on account of taxes, local improvement rates or utilities.

Schedule F
QSLP Contracts

The Contracts relating to the formation, transfer of assets into and governance of QSGP and QSLP:

1. [Intentionally Deleted.]
2. [Intentionally Deleted.]
3. [Intentionally Deleted.]
4. [Intentionally Deleted.]
5. Amended and Restated Limited Partnership Agreement dated October 1, 2010 by and between Bécancour Silicon Inc., Dow Corning Canada Inc. and Québec Silicon General Partner Inc., as amended by the First Amendment thereto dated October 14, 2010.
6. Shareholders Agreement dated October 1, 2010 by and between Bécancour Silicon Inc., Dow Corning Netherlands, B.V. (now known as DC Global Holdings S.a.r.l.) and Québec Silicon General Partner Inc.

Schedule G
Silicon Metal Contracts

Contracts relating solely to the Purchased Silicon Metal Assets:

1. Long-Term Supply Agreement dated June 1, 2011, and effective January 1, 2011, between Bécancour Silicon Inc. and Wacker Chemie AG, as amended by Amendment No. 1 thereto dated September 6, 2011.
2. Output and Supply Agreement among Québec Silicon Limited Partnership, Bécancour Silicon Inc. and Dow Corning Corporation dated October 1, 2010, as amended by: (i) Amendment No. 1 dated November 16, 2010, effective as of October 1, 2010; (ii) Amendment No. 2 dated November 1, 2011, effective as of October 1, 2010; and (iii) Amendment No. 3 dated November 1, 2011, effective as of October 20, 2011.
3. [Intentionally Deleted.]
4. [Intentionally Deleted.]
5. [Intentionally Deleted.]
6. [Intentionally Deleted.]
7. [Intentionally Deleted.]
8. Purchase Order dated November 17, 2011 between Alliages Zabo Inc. and Silicium Bécancour Inc. for the sale and delivery of silicon metal.
9. Purchase Order dated December 13, 2011 between Cable Alcan and Bécancour Silicon Inc. for the sale and delivery silicon metal.
10. [Intentionally Deleted.]
11. Purchase Order dated January 9, 2012 between GNP Ceramics, LLC and Bécancour Silicon Inc. for the sale and delivery of silicon metal.

Schedule H

[Intentionally Deleted]

Schedule I
Monthly Reimbursement

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 obligations to DCC in respect of the Shortfall shall be no less than the amount set forth in the table below that corresponds to the month end period that is no less than fifteen (15) days prior to the Closing.

Month	Amount (in metric tons)
March 31, 2012	3,000
April, 30, 2012	3,250
May 31, 2012	3,500
June 30, 2012*	3,750
July 31, 2012*	4,167
August 31, 2012*	4,584
September 30, 2012*	4,941
October 31, 2012*	5,108
November 30, 2012*	5,275
December 31, 2012*	5,440

*Closing can only occur in the month following this date if agreed in writing by the Parties hereto

Schedule J

[Intentionally Deleted]

Schedule K Consents and Approvals

The consents, approvals, notifications or waivers from, and filings with, third parties (including any Governmental Authority) which are effective as of the Closing Time.

Consents and Approvals related to the Purchased Silicon Metal Assets

1. DCC Consent
2. Long-Term Supply Agreement dated June 1, 2011, and effective January 1, 2011, between Bécancour Silicon Inc. and Wacker Chemie AG, as amended by Amendment No. 1 thereto dated September 6, 2011. This agreement is not assignable by either party without the prior written consent of the other.
3. [Intentionally Deleted.]
4. Nominee Agreement dated September 30, 2010 between Bécancour Silicon Inc. and Québec Silicon General Partner Inc., in respect of the HP2 Property.
5. [Intentionally Deleted.]
6. [Intentionally Deleted.]
7. [Intentionally Deleted.]
8. Approval and issuance by the Quebec Ministry of Sustainable Development, Environment and Parks ("MSDEP") pursuant to the *Environment Quality Act* ("EQA") of the assignment or modification of certificates of authorization and authorizations for the HP2 Property to the Purchaser, to the extent such certificates of authorization or authorizations are required by the Purchaser for the conduct of operations at the HP2 Property.

Schedule L
Estimated BSI Working Capital Statement

WC Assets (CAD 000s)	5/31/2012
Accounts Receivable - Si Metal	933
	-
Prepaid Expenses	10
Inventory - Si Metal	2,060
Inventory - Packing Supplies	1,506
<u>WC Assets</u>	4,509

Schedule M Sample QSLP Working Capital Statement

QSLP Net Working Capital																	
	2011													2012 Est.			
	D	F	M	A	M	J	J	A	S	O	N	D	Dec	F	M	A	
Cash	343	2,763	4,909	2,139	3,120	3,348	2,393	1,956	109	4,453	1,561	-	2,907	880	1,000	1,000	1,000
AR - Trade																	
3rd Party - by-products							579	717	771	861	724	848	1,414	1,171	859	781	761
Affiliated - DCC and BSI	15,047	12,875	12,893	10,743	10,593	10,255	15,403	12,340	15,306	12,878	12,276	11,077	6,743	6,543	10,446	10,163	9,719
AR - Other																	
3rd Party - sales taxes	1,233	1,138	1,032	1,120	1,176	1,256	1,430	1,434	1,353	1,375	1,591	1,466	1,103	1,819	1,571	1,320	1,320
Affiliated - shared w/c, True-ups	5,202	4,705	4,348	3,707	3,763	2,823	5,502	4,923	5,311	3,426	4,747	4,970	1,745	3,150	3,195	686	746
BSI Ind (P&B)	37	37	37	37	37	37	37	37	37	37	37	37	37	-	-	-	-
Total AR	21,512	18,755	18,509	15,624	14,968	14,471	23,557	19,429	22,756	18,622	19,394	19,278	14,004	14,743	16,072	12,930	12,547
Inventory																	
FG - DCC and by-products	1,034	1,738	1,076	2,149	2,618	1,903	2,528	1,706	1,335	2,361	1,247	2,282	1,002	3,558	2,531	2,749	2,968
Raw	10,529	8,452	8,713	7,670	8,604	2,587	1,777	8,959	13,200	12,399	13,554	15,177	13,489	11,272	9,486	11,042	9,713
Other - stores and packing	3,184	3,325	3,418	3,423	3,513	3,068	2,664	3,353	3,073	3,260	3,006	3,544	3,626	3,679	3,625	3,625	3,625
FG in transit																	
Total Inventory	14,847	14,516	14,216	13,852	12,835	12,559	12,469	14,818	15,627	17,777	19,119	21,504	20,072	18,549	15,642	17,416	16,316
Prepaid - Insurance and taxes	166	494	410	495	457	510	549	102	341	222	265	71	86	477	538	500	421
Total Current Assets	26,476	36,548	37,255	37,390	31,210	30,788	34,948	36,541	38,664	41,092	40,515	40,853	34,069	34,649	33,752	31,846	30,344
AP																	
3rd Party	8,995	9,962	7,073	7,000	6,571	7,764	7,501	8,257	9,751	6,877	10,585	9,768	10,860	8,826	8,007	7,378	7,665
Affiliated	1,170	1,571	874	909	523	530	387	314	595	1,053	162	425	754	215	234	295	169
Accrued																	
3rd Party	3,352	3,692	4,358	3,669	3,653	4,750	3,929	3,922	5,271	6,662	4,711	6,577	4,363	4,642	4,879	4,482	4,467
Affiliated																	
Total Current Liabilities before line of credit	13,512	11,865	12,305	11,531	10,744	13,044	11,830	13,793	15,620	14,552	15,658	16,770	15,477	13,873	13,120	12,157	11,292
DC line of credit	10,500	10,500	10,500	10,500	7,500	7,500	10,000	9,000	3,000	3,000	4,000	10,000	14,500	14,500	13,000	12,100	10,000
Total Current Liabilities after line of credit	24,012	21,365	22,805	21,531	18,244	20,544	21,830	22,793	24,620	25,552	24,658	26,770	29,977	28,373	26,120	24,257	22,292
NWC	13,464	14,583	14,950	15,759	13,027	10,244	13,118	13,748	14,244	15,540	15,857	14,183	8,591	6,276	7,333	7,589	8,051
Current Shareholder Notes Payable (BSI and OCC)	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	-	-	-	-	-	-
NWC after Note Payable	10,964	12,083	12,450	13,259	10,527	7,744	10,618	11,248	11,744	13,040	13,357	11,683	6,091	6,276	7,333	7,589	8,051
Forecasted CAPEX															400	395	100
CCAA Provision (Note 7)																	
AR - Trade													7,342	510			
Affiliated - DCC and BSI																	
AR - Other																	
Affiliated - shared w/c, True ups													2,777	246			
BSI Ind (P&B)													184				
AP																	
Affiliated																	
Total Provision													8,332	767			
NWC prior to provision due to BSI CCAA filing													15,622	7,038			

Notes

- 1 Up to end of June 2011, QSLP was paying Hydro Quebec weekly instead of monthly (impact of \$1.4M in AP)
- 2 Feb - June 2012 production volume, sales volume, and cost according to Budget
- 3 Sales of by-product according to budget (Feb-June 2012)
- 4 Current Payment terms of net-45 days for DCC
- 5 Current Payment terms of net 3-4 days to BSI (Invoice issued bi-weekly)
- 6 Capex May - June 2012 - includes \$400 in payments for 2011
- 7 Due to BSI CCAA filing, a provision of \$8.9M has been recorded in QSLP's book as of December 31st, 2011 and \$0.8M has been recorded as of January 31st, 2012 on recommendation of external auditor Deloitte

Schedule "N"
ACCESS AGREEMENT TERM SHEET

April 24, 2012

Timminco Limited ("**Timminco**") and Bécancour Silicon Inc. ("**BSI**" and together with Timminco, the "**Timminco Entities**") filed for protection under the *Companies' Creditors Arrangement Act* (Canada) and FTI Consulting Canada Inc. was appointed monitor (the "**Monitor**") pursuant to an Order of the Ontario Superior Court of Justice [Commercial List] (the "**Court**") dated January 3, 2012. Pursuant to a further Order of the Court dated March 9, 2012, the Court authorized certain bidding procedures (the "**Bidding Procedures**") for the solicitation of offers for the acquisition of some or all of the Timminco Entities assets.

Assets on which the Timminco Entities have received offers in accordance with the Bidding Procedures include BSI's silicon production facility known as "**HP2**" located in Bécancour, Quebec. Offers have also been received for certain equipment identified as being located in HP2 in the Schedule of Solar Fixed Assets attached to Schedule H of the Stalking Horse Agreement (the "**HP2 Equipment**") from parties not offering to acquire HP2 itself. Access to HP2 is only available through property owned by Quebec Silicon General Partner Inc. as nominee for Quebec Silicon Limited Partnership ("**QSLP**"). Accordingly, any party not purchasing HP2 but purchasing certain HP2 Equipment will require access to HP2 to dismantle and remove any purchased HP2 Equipment. The following is a summary of key terms on which the Timminco Entities, in consultation with the Monitor, believe is a reasonable basis on which an access agreement between and among any purchaser of any HP2 Equipment (the "**Purchaser**"), QSLP and the purchaser of HP2, if any (such purchaser or BSI, as the case may be, is hereinafter referred to as the "**Owner**") could be based.

Key Terms:

1. **Access.** QSLP and the Owner (the "**Counterparties**") shall grant, at no additional charge or fee, access to HP2 to the Purchaser and its designated personnel for a period of 3 months following the closing of the transaction (or such other period as may be agreed to by the parties) (the "**Access Period**") for the purposes of dismantling and removing any purchased HP2 Equipment in accordance with the Plan (as defined below) and the terms of an access agreement to be entered into by the Purchaser and the Counterparties (the "**Access Agreement**"). A material breach of the obligations of the Purchaser under the Access Agreement, not cured within an agreed upon time frame, will result in the termination of the access rights granted to the Purchaser.
2. **Dismantling and Removal Plan.** The Purchaser shall submit to the Counterparties, prior to dismantling and removing of any purchased HP2 Equipment, a plan (the "**Plan**"), in form and substance reasonably satisfactory to the Counterparties, for the dismantling and removal of the purchased HP2 Equipment, which will include a timetable, a designated representative in charge, a list of Purchaser personnel who will require access to HP2 and such other technical, logistical and/or operational details as

may be appropriate including specific access requirements of the Purchaser during normal business hours of HP2. The Purchaser may update the Plan from time to time, with such updates to be reasonably satisfactory to the Counterparties. The Purchaser will covenant to comply with the terms of the Plan in all material respects.

3. **Supervision**. A representative of the Owner (including the Monitor to the extent BSI remains the Owner) shall be entitled, at the Owner's option, to attend, supervise and observe any access to HP2, including any dismantling and/or removal of any HP2 Equipment.
4. **Standard of Care**. The removal of any HP2 Equipment shall be done in a professional, competent and careful manner, by professionals or tradespersons fully qualified to dismantle and remove such equipment.
5. **Indemnity**. The Purchaser shall indemnify and hold each Counterparty harmless from and against any and claims, damage, loss or harm caused by, or resulting from, the Purchaser breaching its obligations under the Access Agreement.
6. **Costs**. The Purchaser shall be responsible for all costs and expenses associated with insuring, maintaining, up-keeping, dismantling and removing any HP2 Equipment.
7. **General Liability Insurance**. The Purchaser shall carry general liability insurance from a recognized insurance provider, in an amount reasonably satisfactory to the Counterparties.
8. **No Disruption**. The dismantling and removal of any HP2 Equipment will be done in such a manner so as not to unduly disrupt, hinder or delay operations at HP2 or any other personnel of the Owner or QSLP at such location or any other property owned by QSLP.
9. **Broom Swept Condition**. The Purchaser shall leave the areas of HP2 from which it has dismantled and removed HP2 Equipment in a clean, broom swept and safe condition at its own expense. Without limiting the foregoing, prior to the expiry of the Access Period, the Purchaser shall:
 - disconnect all electrical wires and/or air/water/other lines connected to any purchased HP2 Equipment and cap to the buss bar/nearest wall, as appropriate;
 - "blow off" all bolts, shear all anchor bolts or fasteners flush to the floor;
 - remove all oil and other lubricants and fluids from purchased HP2 Equipment and subsequently dispose of same;
 - clean all pits created by the removal of HP2 Equipment of oil and other lubricants and fluids caused or created by the removal of any HP2 Equipment; and
 - repair all holes in the floor, walls or roof created by the Purchaser by the removal of any HP2 Equipment and repair any all damage caused by the Purchaser arising from or in connection with the access rights granted under the Access Agreement.

10. **Other Terms.** The Access Agreement will be subject to such other reasonable and customary representation, warranties and covenants as typically found in agreements of this nature.

Appendix D

The Ferro APA

AGREEMENT OF PURCHASE AND SALE

This Agreement of Purchase and Sale (this "**Agreement**") is made and entered into as of this 25th day of April, 2012, between BÉCANCOUR SILICON INC., a corporation subject to the *Business Corporations Act* (Québec) ("**BSI**"), TIMMINCO LIMITED, a corporation incorporated under the *Canada Business Corporations Act* ("**Timminco**" and together with BSI, the "**Vendors**") and GRUPO FERROATLANTICA, S.A., a corporation incorporated under the laws of Spain (the "**Purchaser**").

RECITALS:

- (A) Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated January 3, 2012 (as amended and as may be further amended or restated from time to time, the "**Initial Order**"), the Vendors are subject to proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"); and
- (B) The Vendors desire to sell, and the Purchaser desires to purchase certain assets of the Vendors subject to the terms and conditions set forth in this Agreement and in accordance with section 36 and other provisions of the CCAA and the Bidding Procedures Order.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Vendors and the Purchaser agree as follows:

SECTION 1 INTERPRETATION

1.1 Definitions

In this Agreement:

- (a) "**Affiliate**" has the meaning ascribed to that term under National Instrument 45-106 - Prospectus and Registration Exemptions of the Canadian Securities Administrators;
- (b) "**Aggregated Bid**" has the meaning set out in the Bidding Procedures;
- (c) "**Agreement**" has the meaning set out in the recitals hereto;
- (d) "**Applicable Law**" means, in respect of any Person, property, transaction or event, any domestic or foreign statute, law (including the common law), ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code or guideline, by-law or order, in each case, having the force of law, that applies in whole or in part to such Person, property, transaction or event;

- (e) **“Approval and Vesting Order”** means an order by the Court approving this Agreement, authorizing the Transaction and vesting in the Purchaser all the right, title and interest of the Vendors in and to the Purchased Assets free and clear of all Encumbrances, other than Permitted Encumbrances, in form and substance acceptable to the Parties, acting reasonably;
- (f) **“Assumed Obligations”** has the meaning set out in Section 2.3;
- (g) **“Back-Up Bid”** has the meaning set out in the Bidding Procedures;
- (h) **“Back-Up Bidder”** has the meaning set out in the Bidding Procedures;
- (i) **“Benefit Plans”** means all oral or written plans, arrangements, agreements, programs, policies, practices or undertakings of each Vendor with respect to some or all of the Employees and which provide for or relate to:
 - (i) bonus, profit sharing or deferred profit sharing, performance compensation, deferred or incentive compensation, supplemental retirement arrangements, share compensation, share purchase or share option, share appreciation rights, phantom stock, vacation or vacation pay, sick pay, employee loans, or any other compensation in addition to salary; or
 - (ii) insured or self-insured benefits for or relating to income continuation or other benefits during absence from work (including short term disability, long term disability and workers compensation), hospitalization, health, welfare, legal costs or expenses, medical or dental treatments or expenses, life insurance, accident, death or survivor’s benefits, supplementary employment insurance, day care, tuition or professional commitments or expenses and perquisites or similar employment benefits;
- (j) **“Bidder”** has the meaning set out in the Bidding Procedures;
- (k) **“Bidding Procedures”** means the bidding procedures approved pursuant to the Bidding Procedures Order, as in effect on the date hereof with such changes as the Vendors and the Purchaser may agree;
- (l) **“Bidding Procedures Order”** means an order of the Court made March 9, 2012 approving, among other things, the Bidding Procedures, as amended or varied as of the date hereof, and as the same may be further amended or varied after the date hereof with the consent of the Purchaser, acting reasonably;
- (m) **“Books and Records”** means all files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or

electronic format or otherwise), including tax and accounting books and records, used or intended for use by, and in the possession of, either Vendors, in connection with the ownership, or operation of the Purchased Assets, customer lists, customer information and account records, sales records, computer files, data processing records, employment and personnel records, sales literature, advertising and marketing data and records, credit records, records relating to suppliers and other data, in each case, relating to the Purchased Assets;

- (n) **"BSI Owned Property"** means the real property referred to under the heading **"Owned Property"** in Schedule "A";
- (o) **"Business Day"** means a day on which banks are open for business in Toronto, Montreal and Madrid, Spain but does not include a Saturday, Sunday or statutory holiday in the Province of Ontario, or the Province of Québec or Madrid, Spain;
- (p) **"C\$" and "\$"** means the lawful currency of Canada;
- (q) **"CCAA"** has the meaning set out in the recitals hereto;
- (r) **"CCAA Proceedings"** has the meaning set out in the recitals hereto;
- (s) **"Claims"** means any claim of any nature or kind (including any cross-claim or counterclaim), demand, investigation, chose in or cause of action, suit, default, assessment, litigation, third party action, arbitral proceeding or proceeding by or before any Person;
- (t) **"Closing"** means the successful completion of the Transaction;
- (u) **"Closing Cash Payment"** has the meaning set out in Section 3.2;
- (v) **"Closing Cash Purchase Price"** has the meaning set out in Section 3.2;
- (w) **"Closing Date"** means the fifth (5th) Business Day following the date on which the Approval and Vesting Order is granted or such other date as agreed to in writing by the Parties;
- (x) **"Closing Time"** means 2:00 p.m. (Toronto time) on the Closing Date;
- (y) **"Collective Agreements"** means all collective bargaining or similar agreements with any type of Employee representative applying or relating to any Employee of either of the Vendors, including the Convention Collective de Travail between BSI, QSLP and La Section Locale 184 du Syndicat Canadien des Communications, de l'Énergie et du Papier dated February 28, 2011;

- (z) "**Competition Act**" means the *Competition Act* (Canada) as amended, and includes the regulations promulgated thereunder;
- (aa) "**Confidentiality Agreement**" has the meaning set out in the Bidding Procedures;
- (bb) "**Consents and Approvals**" means the consents, approvals, notifications or waivers from, and filings with, third parties (including any Governmental Authority) as may be required to complete the Transaction, in form and substance (including without limitation the quantum of the Consent Costs) satisfactory to the Purchaser, acting reasonably, as set forth in Schedule "D" and which are effective as of the Closing Time;
- (cc) "**Consent Cost**" has the meaning set out in Section 1.1(ff), for greater certainty and without limitation, Consent Costs do not include any amounts owing to or incurred by the Monitor or its or the Vendors' advisors;
- (dd) "**Contracts**" means all of the contracts and other written agreements to which the Vendors or either one of them are parties;
- (ee) "**Court**" has the meaning set forth in the recitals hereto;
- (ff) "**Cure Costs**" means amounts that must be paid, if any, in connection with the assignment and assumption of the Purchased Assets, including costs to cure any monetary defaults thereunder that are required to be cured as a condition of such assignment, subject to the CCAA as applicable, together with such other reasonable costs required to obtain any Consent and Approval (such reasonable costs required to obtain any Consent and Approval, the "Consent Cost");
- (gg) "**Deposit**" has the meaning set forth in Section 3.3;
- (hh) "**Disclosure Letter**" means the disclosure letter dated March 1, 2012 executed by the Vendors and delivered to the Stalking Horse Bidder (as defined in the Bidding Procedures Order);
- (ii) "**Dismantling Period**" has the meaning set forth in Section 6.4(b);
- (jj) "**Dust Collector**" means dust collector no. 21 and duct (44") connecting the furnaces no. 2 located on the Facility to the dust collector no. 21;
- (kk) "**Employee**" means an individual who is employed by either Vendor, whether on a full-time or a part-time basis, whether active or inactive as of the Closing Date, and includes an employee on short term or long term disability leave;

- (ll) **“Encumbrances”** means any security interest, lien, claim, charge, hypothec, legal hypothec, reservation of ownership, pledge, encumbrance, mortgage, adverse claim or right of a third party of any nature or kind whatsoever and any agreement, option or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing, (including any conditional sale or title retention agreement, or any capital or financing lease);
- (mm) **“Excise Tax Act”** means the *Excise Tax Act* (Canada), as amended;
- (nn) **“Excluded Assets”** means any and all properties, rights, assets and undertakings of the Vendors that do not constitute the Purchased Assets, including the Contracts, the Excluded Equipment, the Solar Accounts Receivable, the Litigation Claims, any tax refund and credits and the HP2 Property;
- (oo) **“Excluded Equipment”** means any equipment or machinery and any parts and components thereof, that are Excluded Assets including, the Dust Collector and any equipment owned by AMG Conversion Ltd. located in the ingoting facility or the BSI Owned Property;
- (pp) **“Facility”** means the property located at 6500 Yvon-Trudeau street, City of Bécancour, Province of Quebec;
- (qq) **“Governmental Authority”** means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, court (including the Court), tribunal, commission, stock exchange, bureau, board or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government or securities market regulation;
- (rr) **“HP2 Property”** means an immovable situated in the City of Bécancour, Province of Quebec, known and designated as being lot number Four Million Seven Hundred and Two Thousand Four Hundred Ninety-Seven (4 702 497) of the cadastre of Quebec, Registration Division of Nicolet (Nicolet 2), with the buildings located thereon, including the building bearing civic address 6400 Yvon-Trudeau street, City of Bécancour, Province of Quebec, G9H 2V8;
- (ss) **“HP2 Property Access Agreement”** means an agreement between QSLP, the Purchaser and any purchaser or registered or beneficial owner of the HP2 Property and/or the Facility or the Monitor authorizing the Purchaser and its Representatives to have access to the HP2 Property and the Facility during the Dismantling Period for the purpose of examining, maintaining, repairing, dismantling and removing any of the Solar Equipment from the HP2 Property;

- (tt) “IFRS” means the International Financial Reporting Standards, namely the standards, interpretations and the framework for the preparation and presentation of financial statements (in the absence of a standard or an interpretation) adopted by the International Accounting Standards Board (IASB), consistently applied;
- (uu) “Income Tax Act” means the *Income Tax Act* (Canada), as amended;
- (vv) “Initial Order” has the meaning set out in the recitals hereto;
- (ww) “Intellectual Property” means, any interest in any and all intellectual and industrial property of any kind in any jurisdiction throughout the world, including: (i) all software, computer programs, layouts, interfaces, templates, applications and tools, and code of all types, including object and source code, and including ephemeral aspects, “look and feel”, graphic design and user interface design (“Software”); (ii) all information and data, databases, database layouts and data structures (whether or not subject to copyright protection) (“Databases”); (iii) all literary, graphical, pictorial, artistic, audio-visual and other works, including webpages and webpage designs, templates, scripts, and similar material, and all compilations of any of the foregoing (collectively, together with Software and Databases, “Works”); (iv) all trade-marks, trade names, service marks, trade dress, logos and other marks and associated goodwill (“Marks”); (v) all domain names, patents, inventions, discoveries, arts, systems, methods, processes, machines, manufactures, developments and improvements (“Inventions”); (vi) all industrial designs; all formulae, confidential information, proprietary information, trade secrets and know how (“Know-How”); and (vii) any other works or other subject-matter that is subject to intellectual or industrial property protection under the laws of any jurisdiction throughout the world; in all cases of the foregoing whether or not registrable, registered or the subject of applications for registration, including Intellectual Property Rights;
- (xx) “Intellectual Property Rights” means: (i) any and all statutory, common law or other intellectual and industrial property rights and interests of any kind or nature in and to Intellectual Property, including all copyrights and other rights in and to Works, moral rights and benefits in all waivers of moral rights, patents, patent rights and other rights in and to Inventions, rights to Marks, rights and benefits in and to domain name registrations, industrial design and design patent rights, trade secret rights and other rights in and to Know-How, (ii) all registrations, pending applications for registration, and rights to file applications, and rights of priority, renewal, extensions, divisionals, continuations (in whole or in part) or other derivative applications and registrations, for any of the foregoing; (iii) all licenses or other contractual rights in and to any of the foregoing (including third party software licenses) and all licenses granted in respect of any of the foregoing Intellectual Property, rights and interests; (iv) all

future income and proceeds from any of the foregoing Intellectual Property, rights, interests or licenses; and (v) all rights of enforcement and to obtain remedies, including to damages and profits, by reason of past, present or future infringement of any of the foregoing Intellectual Property, rights, interests or licenses;

(yy) "**Investment Canada Act**" means *Investment Canada Act*, R.S.C. 1985, c. 28 (1st Supp.), as amended;

(zz) "**Litigation Claims**" means, collectively, (i) any and all rights of actions or claims whatsoever of either Vendor against third parties arising by reason of any facts or circumstances that occurred or existed before the Closing, and (ii) all amounts owing or received in respect of any such rights of actions or claims;

(aaa) "**Material Adverse Change**" means any one or more changes, effects, events or occurrences that, individually or in the aggregate:

(a) is, or would reasonably be expected to be, material and adverse to the business, properties, assets, liabilities (contingent or otherwise), condition (financial or otherwise), capitalization, operations or results of operations of the Purchased Assets, taken as a whole; or

(b) prevents or materially delays or would reasonably be expected to prevent or materially delay the Vendors from consummating the Transaction;

other than, in the case of clause (a) or (b), any change, effect, event or occurrence (i) in or relating to the CCAA Proceedings, (ii) in or relating to general political, economic or financial conditions in Canada, or (iii) in or relating to the industry involving the mining, processing and sale of silicon, in general, and which in the case of paragraph (i), (ii) and (iii) does not have a materially disproportionate effect on the Purchased Assets, taken as a whole;

(bbb) "**MDSP**" means the Quebec Ministry of Sustainable Development, Environment and Parks;

(ccc) "**Monitor**" means FTI Consulting Canada Inc. in its capacity as Monitor of the Vendors in the CCAA Proceedings;

(ddd) "**Monitor's Certificate**" means the certificate filed with the Court by the Monitor certifying that the Monitor has received written confirmation in form and substance satisfactory to the Monitor from the Parties that all conditions of Closing have been satisfied or waived by the applicable Parties and that the Monitor has received the Closing Cash Purchase Price;

- (eee) **"Ordinary Course of Business"** means the ordinary course of business of the Vendors with respect to the Purchased Assets consistent with the conduct of such business on the date hereof and consistent with the Orders of the Court in the CCAA Proceedings;
- (fff) **"Parties"** means, collectively, the Purchaser and each of the Vendors, and **"Party"** means any one of them;
- (ggg) **"Pension Plans"** means any registered or unregistered pension, retirement or superannuation plans of or sponsored by the Vendors, including the following: (i) the Retirement Pension Plan for the Hourly Employees of Timminco Metals, a Division of Timminco, at the Haley Plant (Ontario Registration Number 0589648), (ii) the Régime de Rentes pour les Employés Non Syndiqués de Silicium Bécancour Inc. (Québec Registration Number 26042), (iii) the Régime de Rentes pour les Employés Syndiqués de Silicium Bécancour Inc. (Québec Registration Number 32063) and (iv) the Pension Plan for the Timminco Salaried Employees (Ontario Registration Number 1039312);
- (hhh) **"Pension Transfer Agreement"** means the pension transfer agreement dated September 30, 2010 among BSI, QSLP and Dow Corning Corporation;
- (iii) **"Permitted Encumbrances"** means only those Encumbrances related to the Purchased Assets listed on Schedule "B" hereto, which the Purchaser, in connection with the Approval and Vesting Order, shall be entitled to seek to further limit or narrow; provided that, any refusal by the Court to grant the Approval and Vesting Order in respect of any such further limited or narrowed list of Permitted Encumbrances shall not constitute a failure to satisfy the condition in Section 5.4(b) hereof so long as the Court grants the Approval and Vesting Order in respect of the Permitted Encumbrances listed on Schedule "B" hereto;
- (jjj) **"Person"** means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, governmental authority or other entity however designated or constituted;
- (kkk) **"Portion Bid"** has the meaning set forth in the Bidding Procedures;
- (lll) **"Post-Retirement Liabilities"** mean: (i) with respect to Employees whose employment is or was governed by a Collective Agreement (including retirees), all liabilities and obligations for the post-retirement benefits provided under the Collective Agreements or under Benefit Plans; and (ii) with respect to non-unionized Employees (including retirees), all

liabilities and obligations for the post-retirement benefits provided under the Benefit Plans, as applicable;

- (mmm) **"Purchase Price"** has the meaning set out in Section 3.1;
- (nnn) **"Purchased Assets"** means all of BSI's right, title and interest, in and to all of the tangible and intangible assets, properties, rights and Claims, wherever located, used, intended for use or arising in connection with BSI's currently inactive business of producing solar grade silicon through a division of BSI, Timminco Solar, but only to the extent set forth in Schedule "A" including the Solar Equipment, the BSI Owned Property and the Solar Intellectual Property, but excluding, for greater certainty, the Excluded Assets;
- (ooo) **"QSLP"** means Québec Silicon Limited Partnership, a limited partnership formed under the laws of Québec, and its successors and assigns;
- (ppp) **"QSLP Liabilities"** means all debts, liabilities, obligations or Claims of or related to QSLP, including in respect of any employees or former employees of QSLP or any benefit plans, pension plans or post-retirement liabilities of QSLP;
- (qqq) **"Representative"** means, in respect of a Party, each director, officer, employee, agent, Affiliate, manager, lender, solicitor, accountant, professional advisor, consultant, contractor and other representative of such Party or such Party's Affiliates;
- (rrr) **"Sales Tax"** means all taxes, interest, penalties and fines imposed under Part IX of the *Excise Tax Act* and *An Act Respecting the Québec Sales Tax* (Québec) and the regulations made thereunder and **"Sales Tax Legislation"** means all such acts and regulations;
- (sss) **"Solar Accounts Receivable"** means all accounts receivable owing to BSI in respect of the Timminco Solar division of BSI except for (i) any tax refunds or credits or (ii) any Litigation Claims;
- (ttt) **"Solar Equipment"** means the machinery, installations, improvements, structure, equipment, supplies and accessories, and any of the parts and components thereof, relating to the Purchased Assets set forth in Schedule "A" including, the equipment described in Schedule "C";
- (uuu) **"Solar Intellectual Property"** means the Intellectual Property and Intellectual Property Rights of BSI relating to Purchased Assets including the Intellectual Property set forth under the heading "Solar Intellectual Property" in Schedule "A";
- (vvv) **"Specific Conveyances"** means all conveyances, deeds of transfer, share transfers, bills of sale, assignments and transfers that are reasonably

required to transfer the Purchased Assets to the Purchaser in form and substance acceptable to the Purchaser, acting reasonably;

- (www) **“Successful Bid”** has the meaning set out in the Bidding Procedures;
- (xxx) **“Successful Bidder”** has the meaning set out in the Bidding Procedures;
- (yyy) **“Termination Date”** means July 1, 2012 or, in the event the Agreement is the Back-Up Bid, 60 days from the date the Purchaser receives written notice that the Purchaser is the Successful Bidder in accordance with Section 3.3 hereof;
- (zzz) **“Transaction”** means the transaction of purchase and sale contemplated by this Agreement;
- (aaaa) **“Transfer Taxes”** means all present and future transfer taxes, sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees, and any other similar or like taxes and charges imposed by a Governmental Authority in connection with the sale, transfer or registration of the transfer of the Purchased Assets from the Vendors to the Purchaser, including Sales Tax but excluding any taxes imposed or payable under the Income Tax Act and any other applicable income tax legislation;
- (bbbb) **“Utilities”** means the electricity and water supplied to the BSI Owned Property and any other public utilities designated by the Purchaser, acting reasonably; and
- (cccc) **“Vendors”** has the meaning set out in the recitals hereto.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “herein” and “hereunder” and similar expressions refer to this Agreement and not to any particular section hereof. The expression “Section” or reference to another subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement.

1.3 Extended Meanings

Words importing the singular include the plural and vice versa and words importing gender include all genders. The term “including” means “including, without limitation,” and such terms as “includes” have similar meanings.

1.4 Schedules

The following Schedules are incorporated in and form part of this Agreement:

Schedule "A"	-	Purchased Assets
Schedule "B"	-	Permitted Encumbrances
Schedule "C"	-	Solar Equipment
Schedule "D"	-	Consents and Approvals
Schedule "E"	-	HP2 Property Access Agreement Terms

SECTION 2 SALE AND PURCHASE AND ASSIGNMENT

2.1 Sale and Purchase of Assets

Subject to the terms and conditions hereof, at the Closing Time, the Vendors hereby agree to sell, assign and transfer to the Purchaser and the Purchaser agrees to purchase from the Vendors, all of the Vendors' right, title and interest in and to the Purchased Assets free and clear of all Encumbrances other than Permitted Encumbrances. With the consent of the Vendors, the Purchaser may remove any property, asset or right as a Purchased Asset, upon notification to the Vendors in writing together with the applicable amended Schedule reflecting such removal; provided, however, that there shall be no reduction in the Purchase Price as a result of such removal.

2.2 "As is, Where is"

The Purchaser acknowledges that the Vendors are selling the Purchased Assets on an "as is, where is" basis as they shall exist at the Closing Time. Except as otherwise provided in Section 4.2(c), the Purchaser further acknowledges that it has entered into this Agreement on the basis that the Vendors do not guarantee title to the Purchased Assets. No representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition, quantity or quality or in respect of any other matter or thing whatsoever concerning the Purchased Assets or the right of the Vendors to sell or assign same save and except as expressly represented or warranted herein. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario), as amended, the Civil Code of Québec or similar legislation do not apply hereto and have been waived by the Purchaser. The description of the Purchased Assets contained in the Schedules is for purpose of identification only. Except as otherwise provided in Section 4.2, no representation, warranty or condition has or will be given by the Vendors concerning completeness or accuracy of such descriptions.

2.3 Assumed Obligations

The Purchaser shall assume and perform, discharge and pay when due the obligations and liabilities set out in Sections 3.5(a) and 3.5(d) (the "Assumed Obligations").

2.4 Excluded Obligations

Other than the Assumed Obligations, the Purchaser shall not assume and shall not be liable, directly or indirectly, or otherwise responsible for any debts, liabilities or other

obligations of the Vendors (to any Person, including without limitation QSLP), including, without limiting the generality of the foregoing:

- (a) all debts, liabilities, obligations or Claims related to any Benefit Plans, Collective Agreements, Employees, Pension Plans, Post-Retirement Liabilities or under the Pension Transfer Agreement;
- (b) all debts, liabilities, obligations or Claims related to any Excluded Asset or any QSLP Liabilities;
- (c) all debts, liabilities and obligations related to any Purchased Asset arising out of or related to the period prior to the Closing Time;
- (d) all obligations and liabilities owing by either Vendor to the other Vendor or any Affiliate thereof;
- (e) all debts, liabilities and obligations for or related to any obligation for any taxes that are not expressly assumed by the Purchaser pursuant to Sections 2.3 and 3.5;
- (f) all taxes imposed on or relating to the Purchased Assets that are attributable to any pre-Closing tax period whether or not any such period ends on or before the Closing Date (other than any Transfer Taxes payable in connection with the Transaction);
- (g) all debts, liabilities and obligations of the Vendors arising under the Contracts or this Agreement; and
- (h) any debts, liabilities obligations or Claims by any person, including without limitation QSLP, against the Vendors relating to amounts payable to, or in respect of, BSI's hourly retirees under the Collective Agreements or under the Benefit Plans.

SECTION 3 PURCHASE PRICE

3.1 Purchase Price

The aggregate purchase price (the "Purchase Price") payable by the Purchaser to the Vendors for the Purchased Assets is: (i) the sum of C\$2,650,000 payable in cash plus (ii) the assumption by the Purchaser of the Assumed Obligations;

3.2 Satisfaction of Purchase Price

Provided that all conditions of Closing have been satisfied or waived in accordance with Section 5, the Purchase Price shall be paid and satisfied on Closing as follows:

- (a) as to an amount equal to the Deposit, by the release of the Deposit from escrow by the Monitor;
- (b) the balance of the cash portion of the Purchase Price (the "Closing Cash Payment" and together with the Deposit the "Closing Cash Purchase Price") shall be paid on the Closing Date by wire transfer in immediately available funds payable to the Monitor pending further Order of the Court; and
- (c) the assumption by the Purchaser of the Assumed Obligations.

3.3 Deposit

Effective upon the execution and delivery of this Agreement by the Purchaser, the Vendors acknowledge receipt from the Purchaser of a deposit (the "Deposit") of 15% of the Closing Cash Purchase Price, which shall be held by the Monitor in trust in accordance with the Bidding Procedures, this Section 3.3 and Section 6.10.

If the Successful Bid does not close and this Agreement is the Back-Up Bid, the Vendors shall immediately provide written notice to the Purchaser of this fact pursuant to the Bidding Procedures. Upon receipt by the Purchaser of such notice at least five (5) Business Days prior to the Termination Date, the Purchaser shall be required to close the Transaction on the same terms set out herein by no later than the Termination Date and the Deposit shall be credited and set off as provided in Section 3.2.

3.4 Allocation of Purchase Price

The Purchase Price is allocated among the Purchased Assets as follows: (i) the amount of C\$2,252,500 as purchase price for the Solar Equipment; (ii) the amount of C\$66,250 for the Solar Intellectual Property; (iii) the amount of C\$265,000 for the BSI Owned Property; and (iv) the amount of C\$66,250 for the ancillary assets and other property set forth in Schedule "A". The Vendors and the Purchaser agree that the allocation of the Purchase Price for tax purposes among each of the classes of Purchased Assets of each of the Vendors shall be determined and agreed upon on a date no later than five (5) Business Days before the Closing Date. Each of the Vendors and the Purchaser shall report the sale and purchase of the Purchased Assets for all tax purposes in a manner consistent with such allocation, and will complete all tax returns, designations and elections in a manner consistent with such allocation and otherwise follow such allocation for all tax purposes on and subsequent to the Closing Date and may not take any position inconsistent with such allocation.

3.5 Transfer Taxes

The Parties agree that:

- (a) the Purchase Price is exclusive of all Transfer Taxes and the Purchaser shall be liable for and shall pay any and all applicable Transfer Taxes pertaining to the Purchaser's acquisition of the Purchased Assets or the

registration of any Specific Conveyance necessitated hereby (including for greater certainty all debts, liabilities and obligations of the Vendors for Transfer Taxes payable in connection with the Transaction);

- (b) the Purchaser shall indemnify the Vendors for any Transfer Taxes (including any interest or penalties imposed by a Governmental Authority) for which the Vendors may become liable as a result of any failure by the Purchaser to pay or remit such Transfer Taxes;
- (c) if applicable, they shall jointly elect that no Sales Tax be payable pursuant to the Sales Tax Legislation with respect to the purchase and sale of the Purchased Assets under this Agreement and the Purchaser will file an election pursuant to section 167 of the Excise Tax Act and s. 75 of *An Act Respecting the Québec Sales Tax* (Québec), prepared by the Purchaser and made jointly by the Purchaser and each Vendor, in compliance with the requirements of the Sales Tax Legislation; and
- (d) the Purchaser shall perform, discharge and pay when due all debts, liabilities and obligations for realty taxes in respect of the Purchased Assets attributable to the period from and after the Closing Date.

SECTION 4 REPRESENTATIONS AND WARRANTIES

4.1 Purchaser's Representations

The Purchaser represents and warrants to the Vendors as of the date hereof and as of the Closing Time that and acknowledges that the Vendors are relying on such representations and warranties in connection with entering into this Agreement and performing their obligations hereunder:

- (a) the Purchaser is a corporation duly incorporated, organized and subsisting under the laws of Spain and has the requisite power and authority to enter into this Agreement and to complete the transactions contemplated hereunder;
- (b) the Purchaser has taken all necessary corporate action to authorize the entering into and performance by it of this Agreement and completion of the transactions contemplated herein will not breach its constating documents, any agreement binding upon the Purchaser or any Applicable Laws with respect to the Purchaser;
- (c) other than the Bidding Procedures Order, the Approval and Vesting Order, and any Specific Conveyances, execution, delivery and performance of this Agreement by the Purchaser does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority;

- (d) this Agreement and all other documents contemplated hereunder to which the Purchaser is or will be a party have been or will be, as at the Closing Time, duly and validly executed and delivered by the Purchaser and constitute or will, as at the Closing Time, constitute legal, valid and binding obligations of the Purchaser enforceable in accordance with the terms hereof or thereof;
- (e) except in connection with the CCAA Proceedings, there are no proceedings before or pending before any Governmental Authority, or threatened to be brought by or before any Governmental Authority by or against the Purchaser affecting the legality, validity or enforceability of this Agreement or the consummation of the transactions contemplated hereby by the Purchaser;
- (f) the Purchaser is not subject to any order of any Governmental Authority, nor are there any such orders threatened to be imposed by any Governmental Authority, which could affect the legality, validity or enforceability of this Agreement or the consummation of the transactions contemplated hereby by the Purchaser;
- (g) the Purchaser has or will have made adequate arrangements to have sufficient funds available to satisfy its obligations to pay the Purchase Price as set forth in Section 3.2;
- (h) the Purchaser is controlled by a WTO Investor, within the meaning of the Investment Canada Act; and
- (i) the Purchaser and its affiliates do not have assets in Canada that exceed \$100 million or gross revenues from sales in, from or into Canada that exceed \$100 million, all as determined in accordance with Part IX of the Competition Act and the Notifiable Transactions Regulations thereunder.

4.2 Vendors' Representations

The Vendors, jointly and severally, represent and warrant to the Purchaser as of the date hereof and as of the Closing Time as follows and acknowledge that the Purchaser is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (a) Timminco is a corporation duly incorporated, organized and subsisting under the *Canada Business Corporations Act*;
- (b) BSI is a corporation duly organized and subject to and subsisting under the *Business Corporations Act (Québec)*;
- (c) except as disclosed in the Disclosure Letter and as of the file currency date specified therein, BSI is the sole and unconditional legal and beneficial owner of and has good and marketable title to the BSI Owned Property

and is the sole and unconditional beneficial and legal owner of and has good and marketable title to the other material Purchased Assets, including the Solar Equipment, but excluding Intellectual Property, free and clear of Encumbrances other than Permitted Encumbrances;

- (d) except as would not result in a Material Adverse Change and except as disclosed in the Disclosure Letter, to the best of the Vendors' knowledge, the use of the BSI Owned Property by BSI is in compliance with and not subject to any liability under Applicable Laws related to environmental protection, restoration and rehabilitation, occupational health and safety or natural resources matters;
- (e) except as disclosed in the Disclosure Letter, the Vendors have not licensed their rights in the Solar Intellectual Property to any Person. As of the date hereof, the Vendors have not received from any Person any notice (written or oral) that any of the Vendor's registered Solar Intellectual Property is invalid or defective, or the use of such registered Solar Intellectual Property is or would be infringing, misappropriating or violating in any way any Intellectual Property of such Person;
- (f) excluding the CCAA Proceedings, the Vendors are not subject to any order of any Governmental Authority, nor are there any such orders threatened to be imposed by any Governmental Authority, which could affect the legality, validity or enforceability of this Agreement or the consummation of the transactions contemplated hereby by the Vendors;
- (g) subject to obtaining the Approval and Vesting Order, the Vendors have the requisite power and authority to enter into this Agreement and to complete the transactions contemplated hereunder;
- (h) subject to obtaining the Approval and Vesting Order, each of the Vendors has taken all necessary corporate action to authorize the entering into and performance by it of this Agreement and the entering into of this Agreement and completion of the transactions contemplated herein will not breach its constating documents;
- (i) other than the CCAA Proceedings, there are no proceedings before or pending before any Governmental Authority, or threatened to be brought by or before any Governmental Authority by or against the Vendors or affecting any of the Purchased Assets, the legality, validity or enforceability of this Agreement or the consummation of the transactions contemplated hereby by the Vendors;
- (j) subject to obtaining the Approval and Vesting Order, this Agreement and all other documents contemplated hereunder to which the Vendors are or will be a party have been or will be, as at the Closing Time, duly and validly executed and delivered by each of the Vendors and constitute or will, as at the Closing Time, constitute legal, valid and binding obligations

of each of the Vendors enforceable in accordance with the terms hereof or thereof;

- (k) neither Vendor is a non-resident of Canada for purposes of section 116 of the *Income Tax Act*;
- (l) the aggregate book value of the Purchased Assets does not exceed \$330 million, as calculated in accordance with the Investment Canada Act and the regulations thereto;
- (m) the Vendors and their affiliates do not have assets in Canada that exceed \$300 million or gross revenues from sales in, from or into Canada that exceed \$300 million, all as determined in accordance with Part IX of the Competition Act and the Notifiable Transactions Regulations thereunder;
- (n) each of the Vendors is a registrant for the purposes of tax imposed under (A) *An Act Respecting the Québec Sales Tax* (Québec) with the following registration numbers for Timminco and BSI, respectively, 1000873612 and 100829788, and (B) Part IX of the Excise Tax Act with the following registration numbers for Timminco and BSI, respectively, 105289094 RT0002 and 104881412 RT0001; and
- (o) no finder, broker or similar intermediary acting on behalf of the Vendors or any of their Affiliates is entitled to a commission, fee or other compensation from the Purchaser in connection with the negotiation, execution or delivery of this Agreement or the consummation of the Transaction.

4.3 Limitations

With the exception of the Vendors' representations and warranties in Section 4.2 and the Purchaser's representations and warranties in Section 4.1, neither the Vendors nor the Purchaser, nor their respective Representatives, nor any of their respective officers, directors or employees make, have made or shall be deemed to have made any other representation or warranty, express or implied, at law or in equity, in respect of the Vendors, the Purchaser, or the Purchased Assets or the sale and purchase of the Purchased Assets pursuant to this Agreement.

SECTION 5 CONDITIONS

5.1 Conditions - Purchaser

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 this 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 this 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 shall have been obtained as at the Closing Time;
- (e) after the date of this Agreement and before the Closing Time, there shall not have occurred any Material Adverse Change;
- (f) the parties thereto shall have entered into and delivered an executed copy of the HP2 Property Access Agreement substantially on the terms set out in Schedule "E"; and
- (g) the Purchaser shall be satisfied, acting reasonably, that necessary steps have been taken to ensure that the Purchaser receives the Utilities after the Closing Time on terms substantially equivalent to those currently in effect.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition in this Section 5.1 may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing. If any condition set out in Section 5.1 is not satisfied or performed on or prior to the date specified therefor, the Purchaser may elect on written notice to the Vendors to terminate this Agreement. If the Purchaser fails to deliver any such notice of termination, then it shall be deemed to have waived the condition.

5.2 Conditions - Vendors

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 this 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 this Agreement to the extent required to be performed at or before the Closing Time.

The foregoing conditions are for the exclusive benefit of the Vendors. Any condition in this Section 5.2 may be waived by the Vendors in whole or in part, without prejudice to any of their rights of termination in the event of non-fulfilment of any other condition in whole or in part. Any such waiver shall be binding on the Vendors only if made in writing. If any condition set forth in Section 5.2 is not satisfied or performed on or prior to the date specified therefor, the Vendors may elect on written notice to the Purchaser to terminate the Agreement.

5.3 Conditions - Acceleration of Time Periods

Notwithstanding section 13 of the Bidding Procedures providing for up to 28 days to seek approval of the Transaction, the Vendors shall at the same time as they bring a motion to obtain the approval and vesting order for the other Portion Bid, which together with this Agreement makes an Aggregated Bid, bring a motion to obtain the Approval and Vesting Order.

5.4 Conditions - Purchaser and Vendors

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 not have been stayed, varied, vacated or appealed (or any such appeal shall have been dismissed with no further appeal therefrom or the applicable appeal periods shall have expired);
- (b) 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 or the applicable appeal periods shall have expired);
- (c) no order shall have been issued by a Governmental Authority which restrains or prohibits the completion of the Transaction; and
- (d) 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.

The Parties hereto acknowledge that the foregoing conditions are for the mutual benefit of the Vendors and the Purchaser. If the conditions set out in this Section 5.4 are not satisfied performed or mutually waived on or before the Termination Date, any Party shall have the option to terminate this Agreement upon written notice to the other Parties.

SECTION 6 CLOSING

6.1 Closing

Subject to the conditions set out in this Agreement, the completion of the Transaction shall take place at the Closing Time at the offices of Stikeman Elliott LLP, Commerce Court West, 199 Bay Street, Toronto, Ontario, M5L 1B9, or as otherwise determined by mutual agreement of the Parties in writing, but, in any event, shall take place prior to the Termination Date.

6.2 Purchaser's Deliveries on Closing

At or before the Closing Time, the Purchaser shall execute and deliver, or arrange for the delivery, as the case may be, to the Vendors the following, each of which shall be in form and substance satisfactory to the Vendors, acting reasonably:

- (a) the Closing Cash Payment;
- (b) any Specific Conveyance requiring execution by the Purchaser;
- (c) payment of Transfer Taxes required by Applicable Law to be collected by any Vendor, or alternatively, if applicable, the election(s) referred to in Section 3.5(c) executed by the Purchaser;
- (d) a document specifying the Purchase Price allocation for tax purposes provided for in Section 3.4;
- (e) a certificate dated as of the Closing Date confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Purchaser has performed in all material respects the covenants to be performed by it prior to the Closing Time;
- (f) an acknowledgement dated as of the Closing Date that each of the conditions precedent in Section 5.1 of this Agreement have been fulfilled, performed or waived as of the Closing Time; and
- (g) such further and other documentation as is referred to in this Agreement or as the Vendors may reasonably require to give effect to this Agreement.

6.3 Vendors' Deliveries on Closing

At or before the Closing Time, the Vendors shall execute and deliver, or arrange for the delivery, as the case may be, to the Purchaser the following, each of which shall be in form and substance satisfactory to the Purchaser, acting reasonably:

- (a) an executed copy of each Specific Conveyance;

- (b) all Consents and Approvals;
- (c) the Books and Records relating to the Purchased Assets;
- (d) a notarial copy of the Approval and Vesting Order;
- (e) a certificate dated as of the Closing Date confirming that there has been no Material Adverse Change; that all of the representations and warranties of the Vendors contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Vendors have performed in all material respects the covenants to be performed by them prior to the Closing Time;
- (f) an acknowledgement dated as of the Closing Date that each of the conditions precedent in Section 5.2 of this Agreement have been fulfilled, performed or waived as of the Closing Time;
- (g) an executed copy of the Monitor's Certificate;
- (h) if applicable, the election(s) referred to in Section 3.5(c) executed by the Vendors; and
- (i) such further and other documentation as is referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement.

6.4 Possession of Assets

- (a) The Vendors shall remain in possession of the Purchased Assets until Closing. Until Closing, the Vendors shall (i) subject to the Orders of the Court in the CCAA Proceedings, use the Purchased Assets only in the Ordinary Course of Business and use commercially reasonable efforts to maintain, preserve and protect the Purchased Assets in the condition in which they exist on the date hereof, other than ordinary wear and tear and other than replacements, dispositions, modifications or maintenance in the Ordinary Course of Business, (ii) not dispose of any of the Purchased Assets, and (iii) not enter into any material contract or agreement in respect of any of the Purchased Assets other than in the Ordinary Course of Business; except, in each case, with the prior written consent of the Purchaser, not to be unreasonably withheld, and provided that any failure to respond to any such request for consent within five (5) Business Days of receipt by the Purchaser of such request shall be deemed to be consent hereunder. Notwithstanding the foregoing, the Vendors shall not sell or dispose of any of the inventory contemplated in item 3 of Schedule "A".
- (b) On Closing, the Purchaser shall take possession of the Purchased Assets where situate at Closing. From Closing and for a period of three (3) months thereafter (the "**Dismantling Period**"), the Purchaser and its

Representatives shall have access, at no cost to the Purchaser and at all reasonable times, and the Vendors shall secure access in writing satisfactory to the Purchaser and its Representatives, at no cost to the Purchaser and at all reasonable times, from any purchaser or owner of the HP2 Property and the Facility to the HP2 Property and the Facility for the purpose of examining, maintaining, repairing, dismantling and removing any of the Solar Equipment from the HP2 Property, all substantially on the terms set out in Schedule "E".

No rent or other amount shall be payable by the Purchaser to anyone during the Dismantling Period on account of the presence of any Solar Equipment in the HP2 Property or otherwise or the exercise of the Purchaser's rights hereunder. The Vendors shall cooperate with the Purchaser and shall secure such cooperation in writing satisfactory to the Purchaser, from any owner of the HP2 Property and the Facility in order to facilitate the dismantling and removal of the Solar Equipment in the most efficient and economical manner for the Purchaser.

- (c) The Purchaser acknowledges that the Vendors have no obligation to deliver physical possession of the Purchased Assets to the Purchaser. In no event shall the Purchased Assets be sold, assigned, transferred or set over to the Purchaser until the conditions set out in the Approval and Vesting Order have been satisfied and the Purchaser has satisfied all delivery requirements outlined in Section 6.2. The Purchaser shall promptly notify the Vendors of any Excluded Assets which may come into the possession or control of the Purchaser and shall promptly release such Excluded Assets to the Vendors, or to such other Person as the Vendors may direct in writing, for greater certainty, title shall not be deemed to vest to the Purchaser in respect of any Excluded Assets. The Vendors shall have no obligation to remove any Excluded Equipment from any premises that constitute part of Purchased Assets. The Purchaser shall permit the Vendors and their agents and representatives to have reasonable access to such premises to prepare for sale, sell and remove any such Excluded Equipment for a period of three (3) months after the Closing Date. All right, title and interest in any such Excluded Equipment which is not sold or removed from such premises after three (3) months following Closing shall vest in the Purchaser unless the Purchaser objects to such title transfer in which case, right, title and interest shall continue to vest in the applicable Vendor but the Purchaser shall be entitled to dispose of such Excluded Equipment at the Purchaser's expense.

6.5 Material Adverse Change

The Vendors shall notify the Purchaser upon the occurrence of a Material Adverse Change or the occurrence of any material loss or damage to the Purchased Assets.

6.6 Access Rights

Upon at least two (2) Business Days' prior notice by the Purchaser to the Vendors and at any time after notice to the Purchaser from the Vendors of the occurrence of an event or circumstance referred to in Section 6.5, the Purchaser may have reasonable access to the Purchased Assets during normal business hours and in each case prior to Closing for the purpose of enabling the Purchaser to conduct such inspections of the Purchased Assets as it deems appropriate, acting reasonably. Such inspection shall only be conducted in the presence of a representative of the Vendors, if so required at the discretion of the Vendors. The Purchaser shall not conduct any tests, drilling or other invasive action with respect to the Purchased Assets without the prior written consent of the Vendors, which consent may be withheld in the Vendors' sole and absolute discretion. The Purchaser agrees to indemnify and save the Vendors harmless from and against all claims, demands, losses, actions and costs incurred or arising from or in any way directly related to physical harm to property or people caused by the Purchaser's inspection of the Purchased Assets or the attendance of the Purchaser, its employees or agents at properties comprising part of the Purchased Assets. For greater certainty, the Purchaser shall not be responsible to indemnify and save the Vendors harmless from and against the findings of the Purchaser's inspection.

The Vendors shall continue to make the online data room available to the Purchaser, its employees and advisors until Closing, but shall discontinue access to such data room in respect of the Purchased Assets by any other Person, other than a Back-Up Bidder. The Vendors shall, on or before Closing, provide notice to each Bidder that is not a Successful Bidder and instruct such Bidder to comply with the provisions of the Confidentiality Agreement pertaining to the return and destruction of Confidential Information and Work Papers (each as defined in the Confidentiality Agreement).

6.7 Risk

The Purchased Assets shall be and remain at the risk of the Vendors to the extent of their interest until Closing and at the risk of the Purchaser from and after Closing. If, prior to Closing, the Purchased Assets shall be substantially damaged or destroyed by fire or other casualty, then, at its option, the Purchaser may decline to complete the Transaction. Such option shall be exercised within fifteen (15) days after notification to the Purchaser by the Vendors of the occurrence of damage or destruction (or prior to the Closing Date if such occurrence takes place within fifteen (15) days of the Closing Date) in which event this Agreement shall (for greater certainty and without limitation subject to Section 6.10) be terminated automatically. If the Purchaser does not exercise such option, it shall complete the Transaction and shall be entitled to an assignment of the proceeds of insurance referable to such damage or destruction. Where any damage or destruction is not substantial (or if it is substantial but the Purchaser declines its option to terminate), the Purchaser shall complete the Transaction and shall be entitled to an assignment of the proceeds of insurance referable to such damage or destruction provided that such damage or destruction is insured or, otherwise, to an agreed abatement. If any dispute arises under this section as to whether damage or destruction is substantial or with respect to the amount of any abatement, such dispute will be determined in accordance with Section 6.8.

6.8 Dispute Resolution

If any dispute arises:

- (a) under Section 6.7 as to whether any damage or destruction is substantial or with respect to the amount of any abatement; or
- (b) with respect to any other matter related to the Transaction or the interpretation or enforcement of this Agreement;

such dispute will be determined by the Court, or by such other Person or in such other manner as the Court may direct.

6.9 Termination

This Agreement shall automatically terminate at any time prior to the Closing Time upon the occurrence of any of the following:

- (a) by mutual written agreement of the Vendors and the Purchaser; or
- (b) if this Agreement is the Back-Up Bid and the transaction contemplated by the Successful Bid is closed.

This Agreement may be terminated at any time prior to the Closing Time upon the occurrence of any of the following:

- (c) as provided in Section 5 (provided that the terminating Party has not breached its obligations under the Agreement in such a manner as to cause a closing condition not to be fulfilled) or Section 6.7; or
- (d) by any of the Parties (provided that the terminating Party has not breached its obligations under the Agreement in such a manner as to cause a closing condition not to be fulfilled) if Closing shall not have occurred on or prior to the Termination Date in accordance with Section 5.4.

If this Agreement is terminated in the circumstances set out in this Section, all further obligations of the Parties under this Agreement will terminate and neither Party shall have any liability or further obligations hereunder, except as contemplated in Section 6.10, which shall survive such termination.

6.10 Effects of Termination and Closing

- (a) If this Agreement is terminated pursuant to Section 5, 6.7 or 6.9, all further obligations of the Parties under or pursuant to this Agreement shall terminate without further liability of any Party to the other except for the provisions of: (i) Section 3.3 (Deposit); and (ii) Section 6.10 (Effects of Termination and Closing).

- (b) If the Transaction is not completed solely as a result of Purchaser's failure to perform any of its obligations hereunder, then the Deposit shall be forfeited to the Vendors as liquidated damages and the Vendors shall have no other rights and remedies against the Purchaser available at law or in equity.
- (c) Under no circumstance shall any of the Parties, their Representatives or their respective directors, officers, employees or agents be liable for any special, punitive, exemplary, consequential or indirect damages (including loss of profits) that may be alleged to result, in connection with, arising out of, or relating to this Agreement or the transactions contemplated herein.

6.11 Consents and Approvals

The Vendors shall on or prior to the Closing Date duly cooperate with the Purchaser to obtain the approval of the MSDEP for the transfer of all Certificates of Authorization and Authorizations issued with respect to the Purchased Assets and their operation or of new Certificates of Authorization or Authorization therefore, including the execution and delivery to the Purchaser and the MSDEP of any document, instrument and other deed reasonably required by the Purchaser.

SECTION 7 GENERAL

7.1 Access to Books and Records

- (a) For a period of six (6) years from the Closing Date or for such longer period as may be required by law, the Purchaser will retain all original Books and Records that are transferred to the Purchaser under this Agreement. So long as any such Books and Records are retained by the Purchaser pursuant to this Agreement and subject to Section 7.1(b), each Vendor (and any representative, agent, former director or officer or trustee in bankruptcy of the estate of either Vendor) has the right to inspect and to make copies (at its own expense) of them at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of the Purchaser.
- (b) If a Vendor or its Affiliates are engaged in any business that competes, directly or indirectly, with the business carried on by the Purchaser or its Affiliates, then the Purchaser shall only be required to provide the right to inspect as contemplated in Section 7.1(a) to such Vendor if the sole purpose is of evaluating or preparing any of its tax returns, the sale of the remaining assets of either Vendor, in respect of any third party claim against such Person or in connection with any bankruptcy and insolvency proceeding. For greater certainty, the right of Monitor, any former

director or officer or any trustee in bankruptcy of the estate of either Vendor to inspect books and records and make copies thereof shall not be restricted under this Section 7.1(b).

7.2 Notice

Any notice or other communication under this Agreement shall be in writing and may be delivered personally or transmitted by fax or e-mail, addressed:

in the case of the Purchaser, as follows:

Grupo FerroAtlantica, S.A.
Poligono Industrial de Sabón
15142 Arteixo
España

Attention: Javier Bullón
Fax: 34-981-602-354
Telephone: 34-981-647-010

with a copy to:

Davies Ward Phillips & Vineberg LLP
1 First Canadian Place,
100 King Street West, Suite 4400,
Toronto, ON M5X 1B1

Attention: Philippe C. Rousseau
Fax: (416) 863-0871
Email:prousseau@dwpv.com

and in the case of the Vendors, as follows:

Timminco Limited
150 King Street West, 2401
Toronto, Ontario
M5H 1J9

Attention: Peter Kalins,
President, General Counsel and Corporate Secretary
Fax: (416) 364-3451
Email:PKalins@timminco.com

with a copy to:

Stikeman Elliott LLP
5300 Commerce Court West, 199 Bay Street
Toronto, Ontario

M5L 1B9

Attention: Daphne MacKenzie
Fax: (416) 947-0866
Email: dmackenzie@stikeman.com

with a copy to the Monitor:

FTI Consulting Canada Inc.
TD Waterhouse Tower, Suite 2010
79 Wellington Street
Toronto, Ontario
M5K 1G8

Attention: Nigel Meakin
Fax: (416) 649-8101
Email: nigel.meakin@fticonsulting.com

with a copy to:

Blake, Cassels & Graydon LLP
199 Bay Street
Suite 4000, Commerce Court West
Toronto, Ontario
M5L 1A9

Attention: Linc Rogers
Fax: (416) 863-2653
Email: Linc.Rogers@blakes.com

Any such notice or other communication, if given by personal delivery, will be deemed to have been given on the day of actual delivery thereof and, if transmitted by fax or e-mail before 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on such Business Day, and if transmitted by fax or e-mail after 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.

7.3 Time

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Vendors and the Purchaser or by their respective solicitors.

7.4 Currency

Except where otherwise indicated, all references herein to money amounts are in Canadian currency.

7.5 Survival

The representations and warranties of the Parties contained in this Agreement shall merge on Closing and the covenants of the Parties contained herein to be performed after the Closing shall survive Closing and remain in full force and effect.

7.6 Benefit of Agreement

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. Each Party intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person other than the Parties and their successors and permitted assigns, and no Person, other than the Parties and their successors and their permitted assigns, shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum.

7.7 Entire Agreement

This Agreement, the attached Schedules hereto, the Disclosure Letter and the confidentiality and standstill agreement dated as of March 2, 2012 between Timminco and the Purchaser, as supplemented by the addendum thereto dated as of March 2, 2012, constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior negotiations, understandings and agreements. This Agreement may not be amended or modified in any respect except by written instrument executed by all of the Parties.

7.8 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with this Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

7.9 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and each of the Parties irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

7.10 Commission

The Purchaser agrees to indemnify the Vendors against any claim for compensation or commission by any third party or agent retained by the Purchaser in connection with, or in contemplation of, the Transaction and the Vendors shall jointly and severally indemnify the Purchaser for any third party or agent or broker fees or other commissions payable by the Vendors on the Purchase Price or otherwise in connection with the Transaction.

7.11 Assignment by Purchaser

This Agreement may not be assigned by the Purchaser without the prior written consent of the Vendors, which consent may be withheld in the Vendors' sole and absolute discretion; provided, however that the Purchaser shall be permitted to assign the benefit of all or a portion of this Agreement prior to or after Closing to an Affiliate thereof in circumstances where (i) prior notice of such assignment is provided to the Vendors, (ii) such assignee agrees to be bound by the terms of this Agreement to the extent of the assignment, and (iii) such assignment shall not release the Purchaser from any obligation or liability hereunder in favour of the Vendors and the Purchaser shall acknowledge and confirm their continuing obligations and liabilities in favour of the Vendors in form and substance satisfactory to the Vendors; for greater certainty, the Purchaser shall be permitted to assign the right to buy all or a portion of the Purchased Assets to one or more Affiliates and such assignment shall be permitted so long as the requirements of this Section 7.11 are complied with. This Agreement may not be assigned by the Vendors without the consent of the Purchaser.

7.12 Further Assurances

Each of the Parties shall, at the request and expense of the requesting party, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such documents (including registrations and removal of Encumbrances (other than Permitted Encumbrances)) and further assurances as may be reasonably necessary or desirable to give effect to this Agreement.

7.13 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or by e-mail of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

7.14 Severability

Notwithstanding any provision herein, if a condition to complete the Transaction, or a covenant or an agreement herein, other than those contained in Section 2.4, Section 3.1, Section 3.5 or Section 6, is prohibited or unenforceable pursuant to applicable law, then such condition, covenant or agreement shall be ineffective to the extent of such prohibition or unenforceability without invalidating the other provisions hereof.

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IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

BECAINCOUR SILICON INC.

By: 

Name: *Peter A.M. Kabins*

Title: *President, General Counsel and
Corporate Secretary*


TIMMINCO LIMITED

By: 

Name: *Douglas Pastva*

Title: *CEO*

GRUPO FERROATLANTICA, S.A.

By: 

Name: *Pedro Larrea*

Title: *Chief Executive Officer*

Schedule "A"
Purchased Assets

All of BSI's right, title and interest, in and to all of the tangible and intangible assets, properties, rights and Claims, wherever located, used, intended for use or arising in connection with BSI's currently inactive business of producing solar grade silicon through a division of BSI, Timminco Solar, including the Solar Equipment and the Solar Intellectual Property. For greater certainty, the Purchased Assets shall not include the Contracts, the Excluded Equipment, the Solar Accounts Receivable, the Litigation Claims, any tax refunds or credits or the HP2 Property.

1. Owned Property

HP1 PROPERTY:

Legal (registered) and beneficial owner: BSI

DESCRIPTION OF IMMOVABLE

An immovable situated in the City of Bécancour, Province of Québec, known and designated as being composed of the following lots, namely:

lot number THREE MILLION TWO HUNDRED AND NINETY-FOUR THOUSAND AND FIFTY-FOUR (3 294 054) of the Cadastre of Québec, Registration Division of Nicolet (Nicolet 2); and

lot number FOUR MILLION ONE HUNDRED AND TEN THOUSAND FIVE HUNDRED AND NINETY-EIGHT (4 110 598) of the Cadastre of Québec, Registration Division of Nicolet (Nicolet 2);

With the buildings and all other structures, fixtures, equipment and ancillary improvements located thereon (other than Excluded Assets), including the building bearing the civic address 5500 Yvon-Trudeau Street, City of Bécancour, Province of Québec, G9H 0G1.

The whole as it is currently found with all that is or will be incorporated, attached, joined or united by accession to this immovable and that is considered an immovable under the law.

2. Solar Intellectual Property

- (a) See Silicium Bécancour Inc. IP Portfolio Summary attached as Appendix "A" to this Schedule.
- (b) Intellectual Property developed by Bécancour Silicon Inc. relating to: (i) melting and casting of solar grade silicon; (ii) casting of solar grade silicon with gallium doping; (iii) blending of solar grade silicon with polysilicon; (iv) processing of solar grade silicon wafers into cells; and (v) theoretical

and empirical relationships between solar grade silicon dopant concentration as measured by resistivity and solar grade silicon dopant concentration as measured by ICP-MS.

3. All Inventory - Solar
4. See Schedule "C" - Solar Equipment

Appendix "A"

BSI IP Portfolio Summary

SILICIUM BÉCANCOUR INC.

1 - Title		PROCESS FOR THE PRODUCTION OF MEDIUM AND HIGH PURITY SILICON FROM METALLURGICAL GRADE SILICON							
Inventor(s):		LEBLANC, DOMINIC & BOISVERT, RENE							
Subject #	Country	Application # / Pct	Filing Date	Priority	Owner	Registration Date / Number	Due Date(s)	Status / other	Expire
0074 ACTIVE	SOUTH AFRICA	2010/00882 PCT/CA2008/00049 2	13-03-2008	60/960,061 13-09-2007	SILICIUM BECANCOUR INC.	28-04-2011 2010/00882	Annual maintenance fee 13-03-2012		13-03-2028
0056 ACTIVE	AUSTRALIA	2008299523 PCT/CA2008/00049 2	13-03-2008	60/960,061 13-09-2007	SILICIUM BECANCOUR INC.		Examination request 13-03-2013 Annual maintenance fee 13-03-2013		
0057 ACTIVE	BAHRAIN	11/2010 PCT/CA2008/00049 2	13-03-2008	60/960,061 13-09-2007	SILICIUM BECANCOUR INC.				
0058 ACTIVE	BRAZIL	PI 0816972-1 PCT/CA2008/00049 2	13-03-2008	60/960,061 13-09-2007	SILICIUM BECANCOUR INC.		Annual maintenance fee 13-06-2012		
0052 ACTIVE	CANADA	2.695.393 PCT/CA2008/00049 2	13-03-2008	60/960,061 13-09-2007	SILICIUM BECANCOUR INC.	03-01-2012 2.695.393	Annual maintenance fee 13-03-2012		13-03-2028
0059 ACTIVE	CHINA	200860106298.7 PCT/CA2008/00049 2	13-03-2008	60/960,061 13-09-2007	SILICIUM BECANCOUR INC.				
0060 ACTIVE	EGYPT	PCT 387/2010 PCT/CA2008/00049 2	13-03-2008	60/960,061 13-09-2007	SILICIUM BECANCOUR INC.		Annual maintenance fee 13-03-2012		
0055 ACTIVE	UNITED ARAB EMIRATES	323/2010 PCT/CA2008/00049 2	13-03-2008	60/960,061 13-09-2007	SILICIUM BECANCOUR INC.		Annual maintenance fee 13-03-2012		
0014 EXPIRED	UNITED STATES OF AMERICA	60/808.948	30-05-2006		SILICIUM BECANCOUR INC.				
0016 EXPIRED	UNITED STATES OF AMERICA	60/960.061	13-09-2007		SILICIUM BECANCOUR INC.				
0023 ACTIVE	UNITED STATES OF AMERICA	12/047.913	13-03-2008	60/960,061 13-09-2007	SILICIUM BECANCOUR INC.	01-06-2010 7.727.502	Maintenance fees - others (US, NZ, ...) 01-12-2013 Maintenance fees - others (US, NZ, ...) 01-12-2017 Maintenance fees - others (US, NZ, ...) 01-12-2021		13-09-2027
0053 ACTIVE	EUROPE	08 733 596.4 PCT/CA2008/00049 2	13-03-2008	60/960,061 13-09-2007	SILICIUM BECANCOUR INC.		Annual maintenance fee 13-03-2012		
0061 ACTIVE	GEORGIA	AP 2008 011723 PCT/CA2008/00049 2	13-03-2008	60/960,061 13-09-2007	SILICIUM BECANCOUR INC.				
0064 ACTIVE	INDIA	488/KOLNP/2010 PCT/CA2008/00049 2	13-03-2008	60/960,061 13-09-2007	SILICIUM BECANCOUR INC.				
0062 ACTIVE	INDONESIA	W-00 2010 00832 PCT/CA2008/00049 2	13-03-2008	60/960,061 13-09-2007	SILICIUM BECANCOUR INC.				
0022 EXPIRED	INTERNATIONAL PATENT	PCT/CA2008/00049 2	13-03-2008	60/960,061 13-09-2007	SILICIUM BECANCOUR INC.				
0063 ACTIVE	ISRAEL	204334 PCT/CA2008/00049 2	13-03-2008	60/960,061 13-09-2007	SILICIUM BECANCOUR INC.		Office action (rejection, response, ...) 14-03-2012		
0065 ACTIVE	JAPAN	2010-524312 PCT/CA2008/00049 2	13-03-2008	60/960,061 13-09-2007	SILICIUM BECANCOUR INC.				

File no.: 006035

Client : Julien Crisnaire General Manager, Timminco Solar Becancour Silicon Inc.

SILICIUM BÉCANCOUR INC.

0068 ACTIVE	MALAYSIA	PI 201000616 PCT/CA2008/00049 2	13-03-2008	60/960,061 13-09-2007	SILICIUM BECANCOUR INC.		Annual maintenance fee 15-07-2012		
0067 ACTIVE	MEXICO	MX/a/2010/002728 PCT/CA2008/00049 2	13-03-2008	60/960,061 13-09-2007	SILICIUM BECANCOUR INC.	04-07-2011 288028	Annual maintenance fee 13-03-2016		13-03-2028
0069 ACTIVE	NORWAY	20100512 PCT/CA2008/00049 2	13-03-2008	60/960,061 13-09-2007	SILICIUM BECANCOUR INC.		Annual maintenance fee 13-03-2012		
0070 ACTIVE	OMAN	OM/P/2010/00020 PCT/CA2008/00049 2	13-03-2008	60/960,061 13-09-2007	SILICIUM BECANCOUR INC.		Annual maintenance fee 13-03-2012		
0054 ACTIVE	ATENT ORGANIZA	201070358 PCT/CA2008/00049 2	13-03-2008	60/960,061 13-09-2007	SILICIUM BECANCOUR INC.				
0071 ACTIVE	PHILIPPINES	1-2010-500314 PCT/CA2008/00049 2	13-03-2008	60/960,061 13-09-2007	SILICIUM BECANCOUR INC.		Office action (rejection, response, ...) 04-02-2012 Annual maintenance fee 19-03-2013		
0066 ACTIVE	EPUBLIC OF KOR	10-2010-7006648 PCT/CA2008/00049 2	13-03-2008	60/960,061 13-09-2007	SILICIUM BECANCOUR INC.		Examination request 13-03-2013		
0072 ACTIVE	SINGAPORE	201001041-1 PCT/CA2008/00049 2	13-03-2008	60/960,061 13-09-2007	SILICIUM BECANCOUR INC.		Office action (rejection, response, ...) 13-09-2012		
0073 ACTIVE	UKRAINE	201004264 PCT/CA2008/00049 2	13-03-2008	60/960,061 13-09-2007	SILICIUM BECANCOUR INC.		Final fee 09-02-2012		

SILICIUM BÉCANCOUR INC.

2 - Title		PROCESS AND APPARATUS FOR PURIFYING LOW-GRADE SILICON MATERIAL							
Inventor(s):		LEBLANC, DOMINIC & BOISVERT, RENE							
Subject #	Country	Application # / Pct	Filing Date	Priority	Owner	Registration Date / Number	Due Date(s)	Status / other	Expire
0047 ACTIVE	SOUTH AFRICA	2009/00898 PCT/CA2007/00164 6	13-09-2007	60/844,372 14-09-2006	SILICIUM BECANCOUR INC.	30-06-2010 2009/00898	Annual maintenance fee 13-09-2012		
0029 ACTIVE	AUSTRALIA	2007295860 PCT/CA2007/00164 6	13-09-2007	60/844,372 14-09-2006	SILICIUM BECANCOUR INC.		Annual maintenance fee 13-09-2012 Office action (rejection, response, ...) 28-10-2012 Office action (rejection, response, ...) 28-07-2013		
0030 ACTIVE	BAHRAIN	26/2009 PCT/CA2007/00164 6	13-09-2007	60/844,372 14-09-2006	SILICIUM BECANCOUR INC.				
0031 ACTIVE	BRAZIL	PI 0716934-5 PCT/CA2007/00164 6	13-09-2007	60/844,372 14-09-2006	SILICIUM BECANCOUR INC.		Annual maintenance fee 13-09-2012		
0025 ACTIVE	CANADA	2.660.386 PCT/CA2007/00164 6	13-09-2007	60/844,372 14-09-2006	SILICIUM BECANCOUR, INC.		Final fee 01-05-2012 Annual maintenance fee 13-09-2012		
0075 ACTIVE	CANADA								
0032 ACTIVE	CHINA	200780033182.0 PCT/CA2007/00164 6	13-09-2007	60/844,372 14-09-2006	SILICIUM BECANCOUR INC.		Annual maintenance fee 13-09-2012		
0033 ACTIVE	EGYPT	2009030274 PCT/CA2007/00164 6	13-09-2007	60/844,372 14-09-2006	SILICIUM BECANCOUR INC.	25-09-2011 25136	Annual maintenance fee 13-09-2012		12-09-2027
0028 ACTIVE	UNITED ARAB EMIRATES	218/2009 PCT/CA2007/00164 6	13-09-2007	60/844,372 14-09-2006	SILICIUM BECANCOUR INC.		Annual maintenance fee 13-09-2012		
0015 EXPIRED	UNITED STATES OF AMERICA	60/844.372	14-09-2006		SILICIUM BECANCOUR INC.				
0019 ACTIVE	UNITED STATES OF AMERICA	11/901.146	13-09-2007	60/844.372 14-09-2006	SILICIUM BÉCANCOUR INC.				
0026 ACTIVE	EUROPE	07 815 840.9 PCT/CA2007/00164 6	13-09-2007	60/844,372 14-09-2006	SILICIUM BECANCOUR INC.		Annual maintenance fee 13-09-2012		
0034 ACTIVE	GEORGIA	2007 011223 PCT/CA2007/00164 6	13-09-2007	60/844,372 14-09-2006	SILICIUM BECANCOUR INC.	02-05-2011 P 5178	Reinstatement - maintenance fees which were due on 13-03-2012 Annual maintenance fee 13-09-2012		
0037 ACTIVE	INDIA	528/KOLNP/2009 PCT/CA2007/00164 6	13-09-2007	60/844,372 14-09-2006	SILICIUM BECANCOUR INC.				
0017 EXPIRED	INTERNATIONAL PATENT	PCT/CA2007/00164 6	13-09-2007	60/844.372 14-09-2006	SILICIUM BECANCOUR INC.				
0036 ACTIVE	ISRAEL	197472 PCT/CA2007/00164 6	13-09-2007	60/844,372 14-09-2006	SILICIUM BECANCOUR INC.				
0038 ACTIVE	JAPAN	2009-527664 PCT/CA2007/00164 6	13-09-2007	60/844,372 14-09-2006	SILICIUM BECANCOUR INC.				
0041 ACTIVE	MALAYSIA	PI 20090665 PCT/CA2007/00164 6	13-09-2007	60/844,372 14-09-2006	SILICIUM BECANCOUR INC.				
0040 ACTIVE	MEXICO	MX/a/2009/002808 PCT/CA2007/00164 6	13-09-2007	60/844,372 14-09-2006	SILICIUM BECANCOUR INC.	15-07-2011 288401	Annual maintenance fee 13-09-2016		13-09-2027

SILICIUM BÉCANCOUR INC.

0042 ACTIVE	NORWAY	20091339 PCT/CA2007/00164 6	13-09-2007	60/844,372 14-09-2006	SILICIUM BÉCANCOUR INC.		Annual maintenance fee 13-09-2012		
0043 ACTIVE	OMAN	23/2009 PCT/CA2007/00164 6	13-09-2007	60/844,372 14-09-2006	SILICIUM BÉCANCOUR INC.		Annual maintenance fee 13-09-2012		
0027 ACTIVE	PATENT ORGANIZA	200970275 PCT/CA2007/00164 6	13-09-2007	60/844,372 14-09-2006	SILICIUM BÉCANCOUR INC.	30-08-2011 015387	Annual maintenance fee 13-09-2012		13-09-2027
0044 ACTIVE	PHILIPPINES	1-2009-500272 PCT/CA2007/00164 6	13-09-2007	60/844,372 14-09-2006	SILICIUM BÉCANCOUR INC.		Office action (rejection, response, ...) 31-01-2012 Annual maintenance fee 20-03-2012		
0039 ACTIVE	REPUBLIC OF KOR	10-2009-7004910 PCT/CA2007/00164 6	13-09-2007	60/844,372 14-09-2006	SILICIUM BÉCANCOUR INC.		Examination request 13-09-2012		
0045 ACTIVE	SINGAPORE	200901226-1 PCT/CA2007/00164 6	13-09-2007	60/844,372 14-09-2006	SILICIUM BÉCANCOUR INC.				
0046 ACTIVE	UKRAINE	200903632 PCT/CA2007/00164 6	13-09-2007	60/844,372 14-09-2006	SILICIUM BÉCANCOUR INC.		Final fee 22-01-2012		
0035 ACTIVE	INDONESIA	W-00 2009 00630 PCT/CA2007/00164 6	13-09-2007	60/844,372 14-09-2006	SILICIUM BÉCANCOUR INC.		Office action (rejection, response, ...) 15-03-2012		

Schedule "B"

Permitted Encumbrances

1. The reservations, limitations, provisos and conditions (if any) expressed in any original grant from the Crown.
2. Servitudes, easements, rights of way or similar rights in land granted to or reserved by other persons, including without limitation:
 - (a) a servitude of passage by foot and vehicles against lot 3 417 110 of the Cadastre of Québec, Registration Division of Nicolet (Nicolet 2), in favour of the HP1 Property, the HP2 Property and the Facility, created by virtue of a Deed of Transfer registered at the Registry Office for the Registration Division of Nicolet 1 (Bécancour) under number 94 002;
 - (b) a servitude in favour of the HP1 Property, the HP2 Property and the Facility (with greater extent) to construct railroad tracks on lot 708-30, now known as lot 3 294 053 of the Cadastre of Québec, Registration Division of Nicolet (Nicolet 2) to connect railroad lines to the main lines of the Canadian National Railway Company situated on lot 708-12, now known as lot 3 417 065 of the Cadastre of Québec, Registration Division of Nicolet (Nicolet 2) created by virtue of a Deed of Transfer registered at the Registry Office for the Registration Division of Nicolet 1 (Bécancour) under number 94 002;
 - (c) rights and obligations resulting from the Deed of Transfer registered at the Registry Office for the Registration Division of Nicolet 1 (Bécancour) under number 94 002, including, without limitation, a right of access to and use of all roadways and other public facilities of the infrastructure of the Central Quebec Industrial Park at Bécancour, rights of access and use of the harbour and dock facilities and the right of storage on the dock facilities in the Central Quebec Industrial Park at Bécancour, a right to erect a fence, a right to extend a private set of railroad tracks and a right to make available by means of water mains a supply of water sufficient to meet the needs; and
 - (d) a servitude in favour of Hydro-Québec against the HP1 Property registered at the Registry Office for the Registration Division of Nicolet 1 (Bécancour) under numbers 108 397 and 110 709.
3. Encroachments disclosed by and any errors or omissions existing in surveys of the Purchased Assets - Owned Property (described in Schedule "A") or neighbouring properties and any title defect, encroachment or breach of a zoning, land-use or building by-law or any other Applicable Law, by-law or regulation which might be disclosed by a more up-to-date survey of the Purchased Assets - Owned Property (described in Schedule "A") and survey matters generally, provided that the same does not materially

impair the use or materially affect the value of the Purchased Assets - Owned Property (described in Schedule "A") for the purposes of the Ordinary Course of Business.

4. Title defects or irregularities which are of minor nature, encroachments, easements, rights-of-way, rights to use, servitudes or similar interests, including, without restricting the generality of the foregoing, any remarks, comments, reserves, information, comments, issues, errors or omissions contained in title opinions, summaries of limited subsearch and/or ``note de service`` of the Purchased Assets - Owned Property (described in Schedule "A") or which might be disclosed by more up-to-date title opinions, which are of minor nature provided that same does not materially impair the use or materially affect the value of the Purchased Assets - Owned Property (described in Schedule "A") for the purposes of the Ordinary Course of Business.
5. Statutory or inchoate liens which relate to obligations not yet due on account of taxes, local improvement rates or utilities.

Schedule "C "
Solar Equipment

1. The machinery, equipment, improvements, structure, supplies and accessories, and any of the parts and components thereof, relating to the Purchased Assets, and all other machinery equipment, supplies and accessories including parts and components thereof, in each case relating to the Timminco Solar division of BSI and located at the HP1 Property (as described in Schedule "A" or at the HP2 Property or servicing the HP1 Property or the HP2 Property and however installed to in or affixed to or forming part of the HP1 Property or the HP2 Property and including without limitation any movable property which may be deemed to be immovables pursuant to any provisions of the Civil Code of Quebec, which for greater certainty shall not include (a) the equipment owned by AMG Conversion Ltd. located in the ingoting facility on the HP1 Property or at the HP2 Property or servicing the HP2 Property and/or the HP1 Property or (b) dust collector no. 21 and duct (44") connecting the furnaces no. 2 located on the Facility to the dust collected no. 21.
2. The Solar Equipment includes, without limitation, the assets listed in Appendix "B" attached to this Schedule.

Appendix "B"

Solar Equipment

Timminco Solar - Fixed Assets as of 2/9/2012¹

Buildings	HP1	HP2	Crystallization
	Guardhouse	Furnaces	Furnaces
	Raw Material	Shipping	Shipping
	Furnaces	Electrical Sub-station	
	Electrical Sub-Station		
	Shipping		
	Maintenance		

Equipment ²	HP1	HP2	Crystallization
Control Room	1 (within Furnaces building)	1 (within Furnaces Building)	
Rotary Furnace	3 (Major)	4 (Major) + 5 uninstalled (Major)	
DSS Furnace			
Dust Collector	3 (Wheelabrator) + 1 uninstalled (Wheelabrator)	3 (Wheelabrator) + 5 partially installed (Wheelabrator)	
Electromagnetic Stirrer	5 (ABB)	10 (ABB)	
Cranes	2 32/10MT (COH) + 1 10MT (Konecranes)	4 50/20MT (COH) + 1 5MT uninstalled (Konecranes)	
Casting Mold	2 (N/A)	6 (N/A)	
New Casting Mold	1 (R&D - "6-ton Mold")	1 (R&D - "2-ton Mold")	
Scale	2 small + 1 large (Mettler Toledo)	1 large (Mettler Toledo)	
Screener	1 (Vibrotech)		
Mold Breaking Station	1 (N/A)		
Mold Piercing Station	1 (N/A)	1 (N/A)	
Boxing Station	1 (N/A)		
Packaging Station	1 (MGR)		
Steel Box	40 (N/A)	69 (N/A)	
Maintenance Equipment	1 H-Frame Hydraulic Press (OTC) 1 Geared Head Engine Lathe (Harrison) 1 Pipe Threader (Ridgid) 1 Drill Press (General) 1 Radial Arm Drill (Techno) 1 Grinder (Scantool) 1 Metal Cutting Band Saw (General) 4 Arc Welding Power Sources (Miller) 1 Plasma Cutting System (Hypertherm) 1 Double End Grinder (General) 1 Metal Cutting Band Saw (General) 1 Fume Collector (Diversitech) 1 Hydraulic Hammer (Tramac) 1 Gas Powered Welder (Miller)		
System	Electrical Industrial Water Potable Water Compressed Air Oxygen Natural Gas Argon	Electrical Industrial Water Potable Water Compressed Air Oxygen Natural Gas Argon	
Computer Equipment	Miscellaneous	Miscellaneous	
Mobile Equipment	Miscellaneous (loaders, lifts, trucks, crushers, etc.)	Miscellaneous (loaders, lifts, trucks, crushers, etc.)	
Spare Part	Miscellaneous	Miscellaneous	
Miscellaneous	Other steel boxes, molds, racks, R&D equipment	Other steel boxes, molds, racks, R&D equipment	

¹ List is not exhaustive but captures the main fixed assets

² Most of the equipment is located inside buildings owned by Timminco Solar (with some equipment located outside)

Bécancour Silicon, Inc., High Purity No. 2 (HP2), 6500 Yvon Trudeau, Bécancour, Quebec

Effective Date: December 20, 2010

Ref #	Qty	Asset #	Manufacturer	Model	Capacity	Asset Type	Serial No.	Year	Description	
0.90 1.00	1		HP 2 Major			Rotary Tilling Natural Gas Fired Silicon	Melting Furnace	N/A	2008 / 2009	1,600°C Operating Temperature with (1) Air Products 20,000,000-BTU Per Hour Burner, Hydraulic Tilt and Rotation, Hydraulic Door, Burner Mounted on Door, with Oxygen Injection System, 12-Ton Silicon Capacity Refractory Lined 14' Dia. x 20'L Furnace Body, Exhaust Hood and Duct Work, Package Hydraulic System, with (2) 75-HP Pumps, (1) 100-HP Pump, Reservoir, with Allen-Bradley Panelview Plus 700 PLC Controls, Video Monitoring System, Purge Fan, Control Valves, Electrical Switches and Gears, Automatic Pneumatic Grease System
2.00	1		Major			Rotary Tilling Natural Gas Fired Silicon	Melting Furnace	N/A	2008 / 2009	1,600°C Operating Temperature with (1) Air Products 20,000,000-BTU Per Hour Burner, Hydraulic Tilt and Rotation, Hydraulic Door, Burner Mounted on Door, with Oxygen Injection System, 12-Ton Silicon Capacity Refractory Lined 14' Dia. x 20'L Furnace Body, Exhaust Hood and Duct Work, Package Hydraulic System, with (2) 75-HP Pumps, (1) 100-HP Pump, Reservoir, with Allen-Bradley Panelview Plus 700 PLC Controls, Video Monitoring System, Purge Fan, Control Valves, Electrical Switches and Gears, Automatic Pneumatic Grease System

Bécancour Silicon, Inc., High Purity No. 2 (HP2), 6500 Yvon Trudeau, Bécancour, Quebec

Effective Date: December 20, 2010

Ref #	Qty	Asset #	Manufacturer	Model	Capacity	Asset Type	Serial No.	Year	Description
3.00	1		Major		Rotary Tilling Natural Gas Fired Silicon	Melting Furnace	N/A	2008 / 2009	1,600°C Operating Temperature with (1) Air Products 20,000,000-BTU Per Hour Burner, Hydraulic Tilt and Rotation, Hydraulic Door, Burner Mounted on Door, with Oxygen Injection System, 12-Ton Silicon Capacity Refractory Lined 14' Dia. x 20'L Furnace Body, Exhaust Hood and Duct Work, Package Hydraulic System, with (2) 75-HP Pumps, (1) 100-HP Pump, Reservoir, with Allen- Bradley Panelview Plus 700 PLC Controls, Video Monitoring System, Purge Fan, Control Valves, Electrical Switches and Gears, Automatic Pneumatic Grease System

4.00	1		Major		Rotary Tilling Natural Gas Fired Silicon	Melting Furnace	N/A	2008 / 2009	1,600°C Operating Temperature with (1) Air Products 20,000,000-BTU Per Hour Burner, Hydraulic Tilt and Rotation, Hydraulic Door, Burner Mounted on Door, with Oxygen Injection System, 12-Ton Silicon Capacity Refractory Lined 14' Dia. x 20'L Furnace Body, Exhaust Hood and Duct Work, Package Hydraulic System, with (2) 75-HP Pumps, (1) 100-HP Pump, Reservoir, with Allen- Bradley Panelview Plus 700 PLC Controls, Video Monitoring System, Purge Fan, Control Valves, Electrical Switches and Gears, Automatic Pneumatic Grease System
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Bécancour Silicon, Inc., High Purity No. 2 (HP2), 6500 Yvon Trudeau, Bécancour, Quebec

Effective Date: December 20, 2010

Ref #	Qty	Asset #	Manufacturer	Model	Capacity	Asset Type	Serial No	Year	Description
5.00	1		COH		50/20-Ton x 112' Span Top Running Double Girder Overhead	Bridge Crane	3035A	2008	with 50-Ton Main Cable Hoist, 20-Ton Auxiliary Cable Hoist, Class C Rated, with Radio Controls
6.00	1		COH		50/20-Ton x 112' Span Top Running Double Girder Overhead	Bridge Crane	3035B	2008	with 50-Ton Main Cable Hoist, 20-Ton Auxiliary Cable Hoist, Class C Rated, with Radio Controls
7.00	4		Major		Rotary Tilting Silicon Gas Fired Silicon	Melting Furnaces		2009	1,600°C Operating Temperature with (1) Air Products 20,000,000-BTU Per Hour Burner, Hydraulic Tilt and Rotation, Hydraulic Door, Burner Mounted on Door, with Oxygen Injection System, 12-Ton Silicon Capacity Refractory Lined 14' Dia. x 20'L Furnace Body, Exhaust Hood and Duct Work, Package Hydraulic System, with (2) 75-HP Pumps, (1) 100-HP Pump, Reservoir, with Allen-Bradley Panelview Plus 700 PLC Controls, Video Monitoring System, Purge Fan, Control Valves, Electrical Switches and Gears, Automatic Pneumatic Grease System (Note: These furnace systems are currently being installed. All components are on site.)

Bécancour Silicon, Inc., High Purity No. 2 (HP2), 6500 Yvon Trudeau, Bécancour, Quebec

Effective Date: December 20, 2010

Ref.#	Qty	Asset #	Manufacturer	Model	Capacity	Asset Type	Serial No	Year	Description
7.10	1		Majot		Rotary Tiling Silicon Gas Fired	Melting Furnace		2008	1,600°C Operating Temperature with (1) Air Products 20,000,000-BTU Per Hour Burner, Hydraulic Tilt and Rotation, Hydraulic Door, Burner Mounted on Door, with Oxygen Injection System, 12-Ton Silicon Capacity Refractory Lined 14' Dia. x 20L Furnace Body, Exhaust Hood and Duct Work, Package Hydraulic System with (2) 75-HP Pumps, (1) 100-HP Pump, Reservoir, with Allen-Bradley Panelview Plus 700 PLC Controls, Video Monitoring System, Purge Fan, Control Valves, Electrical Switches and Gears, Automatic Pneumatic Grease System (Note: This furnace system is not installed. All components are on site.)
8.00	4		ABB			Electromagnetic Stirring Purification Systems		2008	with 8' x 10x 10' Container, with Electromagnetic Power Supply, Est. 20 Gal Glycol Chilling System, Pumps, Controls, Deionized Water System, Allen-Bradley PLC Controls, Self Contained Air Conditioner System, with Cart Mounted Electromagnet, Cable Wench, Etc.
9.00	1		COH		50/20-Ton x 95'3" Span Top Running Double Girder Overhead	Bridge Crane	3036A	2008	with 50-Ton Main Cable Hoist, 20-Ton Auxiliary Cable Hoist, Radio Controls

Bécancour Silicon, Inc., High Purity No. 2 (HP2), 6500 Yvon Trudeau, Bécancour, Quebec

Effective Date: December 20, 2010									
Ref #	Qty	Asset #	Manufacturer	Model	Capacity	Asset Type	Serial No.	Year	Description
10.00	1		COH		50/20-Ton x 95'3" Span Top Running Double Girder Overhead	Bridge Crane	3036B	2008	with 50-Ton Main Cable Hoist, 20-Ton Auxiliary Cable Hoist, Radio Controls
11.00	1		Undefined Make		18' x 16' Above Ground	Platform Scale			Est. 20,000-Lb. Capacity
13.00	1		Wheelabrator	Jet III 5115-144TAP-6P	76,455 Cu. Meters Per Hour Pulse Type	Dust Collection System	N/A	2008 / 2009	450°F Operating Temperature, with 125-HP Blower
14.00	1		Wheelabrator	Jet III 5115-144TAP-6P	76,455 Cu. Meters Per Hour Pulse Type	Dust Collection System	N/A	2008 / 2009	450°F Operating Temperature, with 125-HP Blower
15.00	1		Wheelabrator	Jet III 5115-144TAP-6P	76,455 Cu. Meters Per Hour Pulse Type	Dust Collection System	N/A	2008 / 2009	450°F Operating Temperature, with 125-HP Blower
16.00	1		Wheelabrator	Jet III 5115-144TAP-6P	76,455 Cu. Meters Per Hour Pulse Type	Dust Collection System	N/A	2008 / 2009	450°F Operating Temperature, with 125-HP Blower (Note: Ductwork Not Installed, Part of Furnace Projects in Process)
17.00	1		Wheelabrator	Jet III 5115-144TAP-6P	76,455 Cu. Meters Per Hour Pulse Type	Dust Collection System	N/A	2008 / 2009	450°F Operating Temperature, with 125-HP Blower (Note: Ductwork Not Installed, Part of Furnace Projects in Process)
18.00	1		Wheelabrator	Jet III 5115-144TAP-6P	76,455 Cu. Meters Per Hour Pulse Type	Dust Collection System	N/A	2008 / 2009	450°F Operating Temperature, with 125-HP Blower (Note: Ductwork Not Installed, Part of Furnace Projects in Process)

Bécancour Silicon, Inc., High Purity No. 2 (HP2), 6500 Yvon Trudeau, Bécancour, Quebec

Effective Date: December 20, 2010

Ref #	Qty	Asset #	Manufacturer	Model	Capacity	Asset Type	Serial No.	Year	Description
19.00	1		Wheelabrator	Jet III 5115-144TAP-6P	76,455 Cu. Meters Per Hour Pulse Type	Dust Collection System	N/A	2008 / 2009	450°F Operating Temperature, with 125-HP Blower (Note: Ductwork Not Installed. Part of Furnace Projects in Process)
19.10	1		Wheelabrator	Jet III 5115-144TAP-6P	76,455 Cu. Meters Per Hour Pulse Type	Dust Collection System	N/A	2008 / 2009	450°F Operating Temperature, with 125-HP Blower (Note: Components Only. Disassembled. Not Installed. Stored in HP1 Building)
20.00	1		Manufacturer Unknown		Refractory Paste Repair Gunning Machine				with 42" Dia. Holding Tank Hoses Guns
21.00	4		ABB		Electromagnetic Stirring Purification Systems			2008	with 8' x 10' x 10' Container, with Electromagnetic Power Supply, Est. 20 Gal Glycol Chilling System, Pumps, Controls, Deionized Water System, Allen-Bradley PLC Controls, Self Contained Air Conditioner System, with Cart Mounted Electromagnet, Cable Winch, Etc. (Note: Not Installed)
22.00	1		Hyster	H360HD	36,000 Lbs Capacity Diesel Powered	Forklift Truck	G019E02157F	2009	
23.00	1		Tennant	S30		Floor Scrubber	S30-1562	2008	
24.00	Lot		Process Electrical Equipment, Consisting of:						
24.01	1		Pioneer		12/16/20mVa, Ons/Onp/Onp, Pri.: 120 kV D, Sec.: 25kV Y	Transformer	N/A	2009	

Bécancour Silicon, Inc., High Purity No. 2 (HP2), 6500 Yvon Trudeau, Bécancour, Quebec

Effective Date: December 20, 2010

Ref.#	Qty	Asset #	Manufacturer	Model	Capacity	Asset Type	Serial No.	Year	Description
24.02	4		Maloney		2,000/2,667 kVa, Onan-Onaf, Pri.: 25kV D, Sec.: 600 V Y	Transformer	N/A	2009	
24.03	1		Maloney		4,000/5,320 kVa, Onan-Onaf, Pri.: 25 kV D, Sec.: 4.16 kV	Transformer	N/A	2009	
24.04	1		Manufacturer Unknown		120 kV, 1,200 A, 40 kA, SF6 Puffer Circuit	Breaker	N/A	2009	Complete with Control Box, (6) Current Transformers
24.05	3		Manufacturer Unknown		25 kV, 800 A	Breaker	N/A	2009	
24.06	Lot		Ancillary Breaker Equipment including						Box, Switch, Annunciator, Indicator, Relays, For Control and Protective Relay of Breaker
24.07	2		Westinghouse		DS Type, 600V, 2,000 A, 42 kA	Switchgear	N/A	2009	Complete with (4) Vertical Sections, (2) Main Disconnects, DS-420, 600 V, 2,000 A, with Amplictor Relay LSI, (1) Bustie DS-420, 600 V, 2,000 A, with Amplictor Relay LSI, (6) Secondary Disconnects, DS-416, 600 V, 1,600 A, Sensor 1,200 A, with Amplictor Relay LSI, (2) Measuring Customer Electronic Relays, (2) DSPMKII Modules with T9A Sensors
24.08	4		Automatic		480 kVa, 600 V, Capacitor Banks		N/A	2009	

Bécancour Silicon, Inc., High Purity No. 2 (HP2), 6500 Yvon Trudeau, Bécancour, Quebec

Effective Date: December 20, 2010

Ref #	Qty	Asset #	Manufacturer	Model	Capacity	Asset Type	Serial No	Year	Description
24.09	Lot		Motor Control Centers, Complete with						(4) 600 V, 1,200 A, 42 kVa Bus Bracing, with (5) Sections, Starter, Switch, (4) 600 V, 1,200 A, 42 kVa Bus Bracing, with (4) Sections, Starter, Switch, (1) 600 V, 1,200 A, 42 kVa Bus Bracing, with (8) Sections, Starter, Switch,
24.10	Lot		Miscellaneous Process Electrical Equipment, Including						(2) Cabinets with Battery Chargers, Complete With 46 Ni-Cd Batterys, (5) Logix Model 5000 PLC Control System with Rack, Cards, Processor, Etc., Transformer: 600C @ 120-208V, Panelboard 600V & 120-208V, Disconnect Switch
25.00	1		Manufacturer Unknown		80,000 Lbs. Capacity In- Ground	Scale	N/A	2009	

TOTAL FAIR VALUE: CAD\$

Bécancour Silicon, Inc., High Purity No.1 (HP1), 5500 Yvon Trudeau, Bécancour, Quebec

Effective Date: December 20, 2010

Ref #	Qty	Asset #	Manufacturer	Model	Capacity	Asset Type	Serial No	Year	Description
25.90			HP1, Furnace Area						
26.00	1		Vibrotech	SCM75	2-Deck 90" x 130"	Vibratory Screener	N/A	2008	with 40-HP Drive
27.00	1		Major		Rotary Tipping Natural Gas Fired Silicon	Melting Furnace	N/A	2008	1,600°C Operating Temperature with (1) Air Products 20,000,000-BTU Per Hour Burner, Hydraulic Tilt and Rotation, Hydraulic Door, Burner Mounted on Door, with Oxygen Injection System, 12-Ton Silicon Capacity Refractory Lined 14' Dia. x 20' L Furnace Body, Exhaust Hood and Duct Work, Package Hydraulic System, with (2) 75-HP Pumps, (1) 100-HP Pump, Reservoir, with Allen Bradley PanelView Plus 700 PLC Controls, Video Monitoring System, Purge Fan, Control Valves, Electrical Switches and Gears, Automatic Pneumatic Grease System, Spare Door

Bécancour Silicon, Inc., High Purity No.1 (HP1), 5500 Yvon Trudeau, Bécancour, Quebec

Effective Date: December 20, 2010

Ref #	Qty	Asset #	Manufacturer	Model	Capacity	Asset Type	Serial No	Year	Description
28.00	1		Major		Rotary Tilting Natural Gas Fired Silicon	Melting Furnace	N/A	2008	1,600°C Operating Temperature with (1) Air Products 20,000,000-BTU Per Hour Burner, Hydraulic Tilt and Rotation, Hydraulic Door, Burner Mounted on Door, with Oxygen Injection System, 12-Ton Silicon Capacity Refractory Lined 14' Dia. x 20'L Furnace Body, Exhaust Hood and Duct Work, Package Hydraulic System, with (2) 75-HP Pumps, (1) 100-HP Pump, Reservoir, with Allen-Bradley Panelview Plus 700 PLC Controls, Video Monitoring System, Purge Fan, Control Valves, Electrical Switches and Gears, Automatic Pneumatic Grease System, Spare Door
29.00	1		Major		Rotary Tilting Natural Gas Fired Silicon	Melting Furnace	N/A	2008	1,600°C Operating Temperature with (1) Air Products 20,000,000-BTU Per Hour Burner, Hydraulic Tilt and Rotation, Hydraulic Door, Burner Mounted on Door, with Oxygen Injection System, 12-Ton Silicon Capacity Refractory Lined 14' Dia. x 20'L Furnace Body, Exhaust Hood and Duct Work, Package Hydraulic System, with (2) 75-HP Pumps, (1) 100-HP Pump, Reservoir, with Allen-Bradley Panelview Plus 700 PLC Controls, Video Monitoring System, Purge Fan, Control Valves, Electrical Switches and Gears, Automatic Pneumatic Grease System, Spare Door

Bécancour Silicon, Inc., High Purity No.1 (HP1), 5500 Yvon Trudeau, Bécancour, Quebec

Effective Date: December 20, 2010

Ref #	Qty	Asset #	Manufacturer	Model	Capacity	Asset Type	Serial No.	Year	Description	
30.00	1		COH		32/10-Ton x 91'2" Span Top Running Double Girder Overhead	Bridge Crane	2990	2008	with 32-Ton Main Cable Hoist, 10-Ton Auxiliary Cable Hoist, Integral Digital Hook Scale, Radio Controls	
31.00	1		COH		32/10-Ton x 91'2" Span Top Running Double Girder Overhead	Bridge Crane	N/A	2008	with 32-Ton Main Cable Hoist, 10-Ton Auxiliary Cable Hoist, Integral Digital Hook Scale, Radio Controls	
32.00	Lot		Casting Area Support Equipment, Consisting of:							(3) Ladle Hooks, (4) Slag Scraper Attachments, (4) 5' x 7' x 3'D Scrap Bins, 2-Point Cable Type Grapple, 3-Point Cable Type Grapple, Cable Type Clam Shell Crane Bucket, Approx. (100) 7' x 11' x 32"D Steel Pans, (10) Cast Iron Casting Pots, (30) 7' x 10' x 6'D Steel Slag Hopper, with Cast Iron Abrasive Plate Lining, (7) Cooling Frames 10' x 8' x 6', Etc.
33.00	1		Miller	Goldstar 452	450-AMP	Arc Welding Power Source	LH4770633C	2007		
34.00	1		Ramp Master		Portable Aluminum Truck	Ramp			with Hydraulic Ramp Height Adjustment	
35.00	1		Wheelabrator	JetIII S115-144TAP-6P	76,455 Cu. Meters Per Hour Pulse Type	Dust Collection System	N/A	2008	248°F Operating Temperature with 125-HP Blower Motor, Inline Spark Arrestor, 44" Dia. x Approx. 100' of Ductwork, Fire Protection Sprinklers	
36.00	1		Wheelabrator	JetIII S115-144TAP-6P	76,455 Cu. Meters Per Hour Pulse Type	Dust Collection System	N/A	2008	248°F Operating Temperature with 125-HP Blower Motor, Inline Spark Arrestor, 44" Dia. x Approx. 100' of Ductwork, Fire Protection Sprinklers	

Bécancour Silicon, Inc., High Purity No.1 (HP1), 5500 Yvon Trudeau, Bécancour, Quebec

Effective Date: December 20, 2010

Ref.#	Qty	Asset #	Manufacturer	Model	Capacity	Asset Type	Serial No.	Year	Description
37.00	1		Wheelabrator	Jell III S115-144TAP-6P	76,455 Cu. Meters Per Hour Pulse Type	Dust Collection System	N/A	2008	248°F Operating Temperature with 125-HP Blower Motor. Inline Spark Arrester, 44" Dia. x Approx. 100' of Ductwork. Fire Protection Sprinklers
38.00	1		King Canada		10' Abrasive Sample Cutting	Saw	N/A	2008	
39.00	1		Holti	DD130	Core Cutting	Drill	N/A		
40.00	6		ABB		Electromagnetic Stirring Purification Systems				each with 8' x 10' x 10'H Container, Magnetic Power Supply, Est. 20-Gal Glycol Chilling System, Pumps, Controls, Deionized Water System, ABB PLC Controls, Self Contained Air Conditioner, Cart Mounted Electro Magnet, Cable Wench, Etc.
41.00	8		Manufacturer Unknown		5-Ton, 9' x 12' x 5'D High Temperature Rigid Insulation Casting Pots				with (3) Insulated Covers
42.00	Lot		Silicon Jack Hammer Screening Station, Consisting of:						Steel Rock Screen, Kent Hydraulic Articulating Boom, Kent Pneumatic Jack Hammer, 50-HP Hydraulic System, with Fire Resistant Oil
43.00	1		Mettler Toledo		12' x 12' Digital Above Ground	Platform Scale			Est. 20,000-Lb. Capacity
43.90			Air Compressor Room						
44.00	1		Domnick Hunter	DTX-600-DDS-E	Desiccant	Air Dryer	1210-69052-T00		600-CFM
45.00	1		Domnick Hunter	DTA600-DS	Desiccant	Air Dryer	80900311		600-CFM

Bécancour Silicon, Inc., High Purity No.1 (HP1), 5500 Yvon Trudeau, Bécancour, Quebec

Effective Date: December 20, 2010

Ref #	Qty	Asset #	Manufacturer	Model	Capacity	Asset Type	Serial No	Year	Description
46.00	1		Atlas Copco	GA90	90-kw	Rotary Screw Type Air Compressor	API606885	2008	
47.00	1		Atlas Copco	GA90	90-kw	Rotary Screw Type Air Compressor	API604948	2007	
48.00	1		Manufacturer Unknown			Refractory Paste Repair Gunning Machine			with 32' Dia. Pressure Pot Guns Hoses
48.90			Maintenance Area						
49.00	1		Witt	255KS38		Electric Furnace	81303		12 kw Rated Capacity, 42" x 60" x 16"
50.00	Lot		Miscellaneous Maintenance Equipment, Consisting of:						
50.01	1		Undefined Make						Disassembled Paint Room, 12' x 12' x 8', with (1) Entry Door
50.02	1		OTS		100-Ton, 35"W	H-Frame Hydraulic Shop Press	1854		
50.03	1		Harrison		11' x 24"	Geared Head Engine Lathe	133359		Spindle Speeds: 34-750-RPM, with Tailstock and Thread Chasing
50.04	1		Ridgid	1224	4" Portable Electric	Pipe Threader	E8325031107	2007	with Spare Thread Dies
50.05	1		General	75-500M1	20"	Floor Type Drill Press	77075006		
50.06	1		Techno	R2-40	14" x 5"	Radial Arm Drill	2080	1976	
50.07	1		Scantool		6"	Tilting Belt Grinder			
50.08	1		General		10" x 12"	Horizontal Metal Cutting Band Saw			
50.09	1		Miller	Goldstar 452 CC/DC	450-AMP	Arc Welding Power Source	LH400634C	2008	
50.10	1		Miller	Dimension 452	450-AMP CC/CV	Arc Welding Power Source	LJ310022C	2007	with Wire Feeder
50.11	1		Miller	Syncrowave 350 LX	350-AMP	Arc Welding Power Source	N/A		

Bécancour Silicon, Inc., High Purity No.1 (HP1), 5500 Yvon Trudeau, Bécancour, Quebec

Effective Date: December 20, 2010

Ref #	Qty	Asset #	Manufacturer	Model	Capacity	Asset Type	Serial No	Year	Description	
50.12	1		Hypertherm	Powermax 800	800-AMP	Plasma Cutting System	800-014893			
50.13	1		General		10' Pedestal Type	Double End Grinder				
50.14	1		General		14" Vertical	Metal Cutting Band Saw	N/A			
50.15	1		Diversitech		Portable	Fume Collector				
50.16	1		Tramac	SC-50		Hydraulic Hammer Attachment				
50.17	Lot		Miscellaneous Support Equipment Throughout HP1 Consisting of the Following:							Assorted Sections of Shelving, Storage Cabinets, Hand and Power Tools, Welding Supplies, Work Benches, Inspection Equipment.
51.00	1		Kone Cranes		10,000-kg x 58' Span Top Running Single Girder Overhead	Bridge Crane	10460		with 10-Ton Cable Hoist, Radial Controls	
52.00	3		Kone Cranes		5,000 Lbs. Capacity Single Girder	Bridge Crane	N/A	2009	Note: (1) Crane Not Installed	
53.00	1		Miller	Big 40	Gas Powered Generator/	Welder	LH021915	2007		
54.00	1		Manufacturer Unknown		80,000 Lbs. Capacity In-Ground	Scale	N/A	2009		
54.90			Shipping Department							
55.00	Lot		Screen and Hand Picking System Consisting of:							
55.01	1		MGR		12' x 8'	Feed Hopper				
55.02	1				30"W x 12'L Power	Belt Conveyor				

Bécancour Silicon, Inc., High Purity No.1 (HP1), 5500 Yvon Trudeau, Bécancour, Quebec

Effective Date: December 20, 2010

Ref #	Qty	Asset #	Manufacturer	Model	Capacity	Asset Type	Serial No.	Year	Description
55.03	1				20'W x 32'L	Vibratory Screen			with Plastic Screen
55.04	1				30'W x 7'L	Belt Conveyor			
55.05	1				Hand Pick	Operator Mezzanine			
55.06	1		Vehicles						
56.00	1		Tennant	S 30	Riding	Floor Sweeper	S 30-1119	2008	
57.00	1		Caterpillar	966H		Wheel Loader	HJA6D01358	2008	
58.00	1		Hyster	H 80FT	6,000-Lb. Propane Powered	Forklift Truck	L177V02164F	2008	
59.00	1		Hyster	H 90XL2	8,000-Lb. Propane Powered	Forklift Truck	G005D14975W	1999	
60.00	1		Hyster	H360HD	36,000-Lb. Diesel Powered	Forklift Truck	G019E01612E	2007	
61.00	1		JCB	B30	6,000-Lb. Propane Powered	Forklift Truck	SIP93002YF0822367	1994	
62.00	1		Raymond	Easi R40TT	4,000-Lb. Electric Stand- Up	Forklift Truck	EZ-A-00-16588	2000	
63.00	1		Gradall	XL 5200III	Hydraulic	Excavator	5200000743	2008	with Hammer Attachment
64.00	1		Caterpillar	311-C	Hydraulic	Excavator	CCK01973	2008	
65.00	1		Hyster	H90XLS	9,000-Lb. LPG	Forklift Truck	G005D13590V	1998	
66.00	1		Hyster	H80FT	8,000-Lb. LPG	Forklift Truck	P005V02182G	2009	
67.00	1		Hyster	H80FT	8,000-Lb. LPG	Forklift Truck	P005V02179G	2009	
68.00	1		Freightliner	MM112064S	6 x 4 Conventional Cab	Tractor	1FVHC5CV19HAB7583	2009	
69.00	1		Hyster	H80FT	7,800 Lbs. Capacity Diesel Powered	Forklift Truck	PO05V01855F	2008	

Bécancour Silicon, Inc., High Purity No.1 (HP1), 5500 Yvon Trudeau, Bécancour, Quebec

Effective Date: December 20, 2010

Ref #	Qty	Asset #	Manufacturer	Model	Capacity	Asset Type	Serial No	Year	Description	
70.00	1		Hyster	H80FT	7,800 Lbs. Capacity Diesel Powered	Forklift Truck	PO05V01848F	2008		
71.00	1		Hyster	H360HD	36,000 Lbs. Capacity Diesel Powered	Forklift Truck	G019E02314G	2009		
72.00	1		Hyster	H80FT	7,800 Lbs. Capacity Diesel Powered	Forklift Truck	PO05V02175G	2009		
73.00	1		Caterpillar	966H		Wheel Loader	CAT0966HEA6001529	2008		
74.00	1		Dodge	Ram 1500		Pickup Truck	1B7HC13Y8VJ612188	1997		
75.00	1		GMC	Sierra SLE 1500		Pickup Truck	2GTEK19R4W1532579	1998		
76.00	1		Ford	F-150		Pickup Truck	2FTRX07L42CA39978	2002		
77.00	1		Ford	F-150		Pickup Truck	2FTRX18W42CA96782	2002		
78.00	1		Chevrolet	S-10		Pickup Truck	1GCCS19X638237398	2003		
79.00	3		Tramac	700	Hydraulic Breaker	Attachment	N/A			
80.00	2		Tramac	TCH60	Hydraulic Rotary Grinding	Attachment				
81.00	1		Gradall	5200 XL	Hydraulic	Excavator	5200000749	2008		
81.10			Process Electrical Equipment							
82.00	Lot		Process Electrical Equipment, Consisting of							Process Electrical Equipment Consisting of
82.01	1		Manufacturer Unknown		1,750/2,333 kVa, Onan/Onaf, Pri.: kV, Y Sec.: 600V D	Transformer	N/A	2009		

Bécancour Silicon, Inc., High Purity No.1 (HP1), 5500 Yvon Trudeau, Bécancour, Quebec

Effective Date: December 20, 2010

Ref #	Qty	Asset #	Manufacturer	Model	Capacity	Asset Type	Serial No.	Year	Description	
82.02	1		Ferranti-Packard		2,500 kVa, Onan, Pri.: 25 kV, Y, Sec. 600V D	Transformer	N/A	2009		
82.03	1		Moloney		2,000 kVa, Onan/Onaf, Pri.: 25 kV, Y Sec.: 600 V D (crystallization)	Transformer	N/A	2009		
82.04	1		Manufacturer Unknown		25 kV, 600A	Breaker	N/A	2009		
82.05	Lot		Equipment For Control and Protection of Breaker, Including							Box, Switch, Annunciator, Indicator, Relays, etc.
82.06	1		Westinghouse		DS Type 600V, 2,000 A, 42 kVa	Switchgear	N/A	2009	Complete with (4) Vertical Sections, (2) Main Disconnects, DS-420, 600V, 2,000 A, with Ampactor Relay LSI; (1) Busbar DS-420, 600-V, 2,000 A Disconnect, with Ampactor Relay LSI; (5) Secondary Disconnects, DS-416, 600-V, 1,600 A, with Ampactor Relay LSI; (2) Measuring Customer Electronic Relays; (2) DSPMKJI Modules with 19A Sensors	

Bécancour Silicon, Inc., High Purity No.1 (HP1), 5500 Yvon Trudeau, Bécancour, Quebec

Effective Date: December 20, 2010

Ref #	Qty	Asset #	Manufacturer	Model	Capacity	Asset Type	Serial No.	Year	Description
82.07	1		Westinghouse		DS Type, 600V, 2,000 A, 42 kVa (Crystallization)	Switchgear	N/A	2009	Complete with (2) Vertical Sections, (1) Main Disconnect, DS-420, 600V, 2,000 A, with Ampector Relay 1A LSI, (2) Secondary Disconnects, DS-416, 600 V, 1,600 A, Sensor 800 A, with Ampector Relay 1A LSI, (1) Measuring Customer Electronic Relay, (2) DSPMKII Modules, with T9A Sensors
82.08	2		Automatic		480 kVa Capacitor Banks		N/A	2009	
82.09	Lot		Motor Control Centers, Complete with						(3) 600 V, 1,200 A Bus Bracing, with (6) Sections and Lot of Starter and Switch, (1) 600 V, 1,200 A Bus Bracing, with (8) Sections and Lot of Starter and Switch, (2) 600 V, 1,200 A Bus Bracing, with (8) Sections and Lot of Starter and Switch (Crystallization)
82.10	Lot		Miscellaneous Process Electrical Equipment, including						Cabinet with Battery Charger, Complete With 46 Ni-Cd Battery, (2) Logix Model 5000 PLC Control System with Rack, Cards, Processor, Elec Transformer, 600C @ 120-208V, Panelboard 600 V & 120-208V, Disconnect Switch



EQUIPEMENT MOBILE

MAIN SAVER		Genre d'Equipement	Année	Modèle	Série-numéro	No SBI	Plaque	Cat. d'Imma.	Centre respon.	Date Achat
CHARIOT ELEVATEUR (CEL)										
MOB.100.CEL.01	1	Chariot HYSTER	1999	H 90 XL 2	G005D14975W		N/A		416	1/26/2007
MOB.100.CEL.02	2	Chariot Hyster # 27	2008	H60FT	L177V02164F		N/A		416	10/24/2008
MOB.100.CEL.03	3	Chariot élévateur élec. Raymond	2000	Easi R40TT	EZ-A-00-16588		N/A		416	1/31/2008
MOB.100.CEL.04	4	Chariot Hyster (JCB 930)	1994	JCB 930	SLP93002YF0822387		N/A		646	5/9/2008
MOB.100.CEL.05	5	Chariot Hyster # 5	2007	H 360HD	G019E01612E		VL36987	"Route"	646	6/13/2008
MOB.100.CEL.06	6	Chariot Hyster # 26	1998	H90XLS	G005D13590V	N/A	N/A		416	7/14/2008
MOB.100.CEL.07	7	Chariot Hyster # 25	2009	H80FT	P005V02182G		N/A		646	3/31/2009
MOB.100.CEL.08	8	Chariot Hyster # 24	2009	H80FT	P005V02179G		N/A		646	3/31/2009
MOB.100.CEL.24	9	Chariot Hyster # 17	2009	H360 HD	G019E02157F	5835	N/A		646	10/31/2008
MOB.100.CEL.25	10	Chariot Hyster # 18	2009	H80FT	POO5V01855F	5837	N/A		646	12/29/2008
MOB.100.CEL.26	11	Chariot Hyster# 19	2009	H80FT	POO5V01848F	5838	N/A		416	12/29/2009
MOB.100.CEL.27	12	Chariot Hyster # 23	2009	H360 HD	G019E02314G	5841	N/A		646	3/31/2009
MOB.100.CEL.28	13	Chariot Hyster # 21	2009	H80FT	P005V02175G	5842	N/A		646	3/30/2009
CHARGEUR (CHA)										
MOB.100.CHA.01	15	Chargeur Caterpillar	2008	966H	CAT0966HJA6D01358		FDN4436		646	9/27/2007
MOB.100.CHA.05	16	Chargeur Caterpillar #05	2008	966 H Loader	CAT0966HEA6D01529	5834	VN37524	"Route"	646	10/28/2008
MOB.100.CHA.07	17	Chargeur Caterpillar #07	2009	966 H Loader	CAT0966HAA6D02255	5840	VM66771	"Cour"	646	8/1/2009
CAMIONNETTE (CAM)										
MOB.100.CAM.05	18	Camion Dodge J.M.RIVEST (Vert)	1997	RAM1500	1B7HC13Y8VJ612188		FDN4431	"Route"	646	6/20/2008
MOB.100.CAM.06	19	Camion Chevrolet (entr. HP1) (Rouge)	1998	SLE1500	2GTEK19R4W1532579		FDN4442	"Route"	646	6/20/2008
MOB.100.CAM.07	20	Camion Ford (G. Carpentier) (Beige)	2002	F-150	2FTRX07L42CA39978		FDN4433	"Route"	416	6/20/2008
MOB.100.CAM.10	21	Camion Ford (MAGASIN) Vert	2002	F-150	2FTRX18WX2CA96782		FDT3028	"Route"	646	7/12/2008
BALAYEUSE (BLY)										
MOB.100.BLY.01	24	Balayeuse Tennant	2008	S 30	S 30-1119		N/A		416	
MOB.100.BLY.02	25	Balayeuse Tennant	2008	S30	S30-1562	5850	N/A		646	
MARTEAU TRAMAC (MAR)										
MOB.100.MAR.01	26	Marteau Tramac 700,1							646	
MOB.100.MAR.02	27	Marteau Tramac 700,2							646	
MOB.100.MAR.03	28	Marteau Tramac 700,3							646	
MOB.100.MAR.04	29	Marteau Tramac SC-50							646	
TRAMAC MEULE ROTATIVE (MEU)										
MOB.100.MEU.01	30	Meule rotative tramac TCH60#1							646	
MOB.100.MEU.02	31	Meule rotative tramac TCH60#2							646	
RETROCAVEUSE (RET)										
MOB.100.RET.01	32	Pelle sur Chenilles Gradall	2008	XL 5200III	52000000743		VL37030	"Cour"	646	5/14/2008
MOB.100.RET.02	33	Pelle sur Chenille GRADALL	2008	5200 XL	52000000749	5836	VM24869-7	"Cour"	646	10/27/2008
PLATE-FORME ELEVATRICE (PEL)										
MOB.100.PEL.01	34	Plateforme élévatrice		model HD7845					416	
EXCAVATRICE (EXC)										
MOB.100.EXC.01	35	Pépine sur chenille CAT	2008	311-C	cat0311ccCKE01973		VM24868	"Cour"	646	10/4/2008

Schedule "D"
Consents and Approvals

The consents, approvals, notifications or waivers from, and filings with, third parties (including any Governmental Authority) which are effective as of the Closing Time.

1. Approval by the Quebec Ministry of Sustainable Development, Environment and Parks pursuant to the *Environment Quality Act* of the assignment of Certificates of Authorization and Authorizations for the HP1 Property to the Purchaser.

Schedule "E"
HP2 Property Access Agreement Terms
ACCESS AGREEMENT TERM SHEET

April 24, 2012

Timminco Limited ("**Timminco**") and Bécancour Silicon Inc. ("**BSI**" and together with Timminco, the "**Timminco Entities**") filed for protection under the *Companies' Creditors Arrangement Act* (Canada) and FTI Consulting Canada Inc. was appointed monitor (the "**Monitor**") pursuant to an Order of the Ontario Superior Court of Justice [Commercial List] (the "**Court**") dated January 3, 2012. Pursuant to a further Order of the Court dated March 9, 2012, the Court authorized certain bidding procedures (the "**Bidding Procedures**") for the solicitation of offers for the acquisition of some or all of the Timminco Entities assets.

Assets on which the Timminco Entities have received offers in accordance with the Bidding Procedures include BSI's silicon production facility known as "**HP2**" located in Bécancour, Quebec. Offers have also been received for certain equipment identified as being located in HP2 in the Schedule of Solar Fixed Assets attached to Schedule H of the Stalking Horse Agreement (the "**HP2 Equipment**") from parties not offering to acquire HP2 itself. Access to HP2 is only available through property owned by Quebec Silicon General Partner Inc. as nominee for Quebec Silicon Limited Partnership ("**QSLP**"). Accordingly, any party not purchasing HP2 but purchasing certain HP2 Equipment will require access to HP2 to dismantle and remove any purchased HP2 Equipment. The following is a summary of key terms on which the Timminco Entities, in consultation with the Monitor, believe is a reasonable basis on which an access agreement between and among any purchaser of any HP2 Equipment (the "**Purchaser**"), QSLP and the purchaser of HP2, if any (such purchaser or BSI, as the case may be, is hereinafter referred to as the "**Owner**") could be based.

Key Terms:

1. **Access.** QSLP and the Owner (the "**Counterparties**") shall grant, at no additional charge or fee, access to HP2 to the Purchaser and its designated personnel for a period of 3 months following the closing of the transaction (or such other period as may be agreed to by the parties) (the "**Access Period**") for the purposes of dismantling and removing any purchased HP2 Equipment in accordance with the Plan (as defined below) and the terms of an access agreement to be entered into by the Purchaser and the Counterparties (the "**Access Agreement**"). A material breach of the obligations of the Purchaser under the Access Agreement, not cured within an agreed upon time frame, will result in the termination of the access rights granted to the Purchaser.
2. **Dismantling and Removal Plan.** The Purchaser shall submit to the Counterparties, prior to dismantling and removing of any purchased HP2 Equipment, a plan (the "**Plan**"), in form and substance reasonably satisfactory to the Counterparties, for the dismantling and removal of the purchased HP2

Equipment, which will include a timetable, a designated representative in charge, a list of Purchaser personnel who will require access to HP2 and such other technical, logistical and/or operational details as may be appropriate including specific access requirements of the Purchaser during normal business hours of HP2. The Purchaser may update the Plan from time to time, with such updates to be reasonably satisfactory to the Counterparties. The Purchaser will covenant to comply with the terms of the Plan in all material respects.

3. **Supervision**. A representative of the Owner (including the Monitor to the extent BSI remains the Owner) shall be entitled, at the Owner's option, to attend, supervise and observe any access to HP2, including any dismantling and/or removal of any HP2 Equipment.
4. **Standard of Care**. The removal of any HP2 Equipment shall be done in a professional, competent and careful manner, by professionals or tradespersons fully qualified to dismantle and remove such equipment.
5. **Indemnity**. The Purchaser shall indemnify and hold each Counterparty harmless from and against any and claims, damage, loss or harm caused by, or resulting from, the Purchaser breaching its obligations under the Access Agreement.
6. **Costs**. The Purchaser shall be responsible for all costs and expenses associated with insuring, maintaining, up-keeping, dismantling and removing any HP2 Equipment.
7. **General Liability Insurance**. The Purchaser shall carry general liability insurance from a recognized insurance provider, in an amount reasonably satisfactory to the Counterparties.
8. **No Disruption**. The dismantling and removal of any HP2 Equipment will be done in such a manner so as not to unduly disrupt, hinder or delay operations at HP2 or any other personnel of the Owner or QSLP at such location or any other property owned by QSLP.
9. **Broom Swept Condition**. The Purchaser shall leave the areas of HP2 from which it has dismantled and removed HP2 Equipment in a clean, broom swept and safe condition at its own expense. Without limiting the foregoing, prior to the expiry of the Access Period, the Purchaser shall:
 - disconnect all electrical wires and/or air/water/other lines connected to any purchased HP2 Equipment and cap to the buss bar/nearest wall, as appropriate;
 - "blow off" all bolts, shear all anchor bolts or fasteners flush to the floor;
 - remove all oil and other lubricants and fluids from purchased HP2 Equipment and subsequently dispose of same;
 - clean all pits created by the removal of HP2 Equipment of oil and other lubricants and fluids caused or created by the removal of any HP2 Equipment; and

- repair all holes in the floor, walls or roof created by the Purchaser by the removal of any HP2 Equipment and repair any all damage caused by the Purchaser arising from or in connection with the access rights granted under the Access Agreement.

10. **Other Terms.** The Access Agreement will be subject to such other reasonable and customary representation, warranties and covenants as typically found in agreements of this nature.

Appendix E

The 2nd DIP Amendment

AMENDING AGREEMENT NO. 2

Amending Agreement No. 2 dated as of May 9, 2012 among Timminco Limited and Becancour Silicon Inc., as Borrowers, and QSI Partners Inc., as DIP Lender.

RECITALS:

- (a) QSI Partners Inc. (in its capacity as DIP lender, together with its successors and permitted assigns, the "DIP Lender") has agreed to provide funding in order to fund certain obligations of Timminco Limited ("Timminco") and Becancour Silicon Inc. ("BSI", and together with Timminco, the "Borrowers") in the context of their proceedings under the *Companies' Creditors Arrangement Act* (Canada) upon the terms and conditions contained in a DIP agreement dated January 18, 2012 among the Borrowers and the DIP Lender, as amended by the amending agreement dated as of March 1, 2012 among the Borrowers and the DIP Lender (the "DIP Agreement");
- (b) The Borrowers have agreed to sell, and QSI Partners Inc. (in its capacity as purchaser, the "Purchaser") have agreed to purchase, substantially all silicon metal assets of BSI, subject to the terms and conditions of an agreement of purchase and sale made and entered into as of April 25, 2012 among, *inter alia*, the Borrowers and the Purchaser (as such agreement may be amended, amended and restated, modified or supplemented from time to time, the "Purchase Agreement"); and
- (c) Pursuant to Section 3.10 of the Purchase Agreement, and subject to the terms and conditions set out therein, the Purchaser is required to increase the amount of the DIP Facility by up to a maximum amount of Cdn. \$2.5 million in the event that Closing (as defined in the Purchase Agreement) has not occurred by June 8, 2012.

In consideration of the foregoing and the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the parties agree as follows:

Section 1 Defined Terms.

Capitalized terms used in this Amending Agreement No. 2 and not otherwise defined have the meanings specified in the DIP Agreement.

Section 2 Headings.

Section headings in this Amending Agreement No. 2 are included for convenience of reference only and shall not constitute a part of this Amending Agreement No. 2 for any other purpose.

Section 3 Amendments to the DIP Agreement.

- (a) Section 4 of the DIP Agreement is hereby deleted in its entirety and replaced with the following Section 4:

"A super-priority credit facility (the "**DIP Facility**") in the amount of (x) on or before June 8, 2012, US\$4,250,000.00 ("**Tranche A**") and (y) after June 8, 2012, and subject to the Closing Condition (as defined below), the aggregate of Tranche A and Cdn.\$2,500,000 ("**Tranche B**"). The term "**Maximum Amount**" means: (i) on or before June 8, 2012, Tranche A; and (ii) after June 8, 2012, and subject to the Closing Condition, the aggregate of Tranche A and Tranche B. Within 1 business day following the entry of an order, in form and substance satisfactory to the DIP Lender, authorizing the DIP Facility on the terms and conditions hereof and creating the DIP Charge (as defined below) with the priority contemplated herein (the "**DIP Order**"), the DIP Lender shall deposit Tranche A into a segregated interest bearing Canadian Dollar account (the "**Monitor Account**") of the Monitor (as defined below). Within 1 business day following the entry of an order authorizing the increase of the DIP Facility by Cdn.\$2,500,000 to be available after June 8, 2012 (subject to the Closing Condition), amending the DIP Order to the extent necessary, and approving any DIP amending agreement entered into by the parties hereto in connection therewith, substantially in accordance with the order attached as Schedule "A" (the "**DIP Amendment Order**"), the DIP Lender shall deposit Tranche B into the Monitor Account. DIP Advances (as defined below) from the Maximum Amount will be advanced by the Monitor to the Borrowers in accordance with the terms hereof. DIP Advances (as defined below) shall be deposited into the Borrowers' current account (the "**Borrower's Account**"), and withdrawn by the Borrowers in accordance with the terms hereof.

DIP Advances shall be made to the Borrowers from Tranche A of the DIP Facility by the Monitor on the terms and conditions set out in this DIP Agreement after the entry of the DIP Order and upon satisfaction of, or waiver by the DIP Lender of the conditions set out under the paragraph below entitled "Availability under DIP Facility".

Notwithstanding the foregoing, DIP Advances shall be made to the Borrowers from Tranche B of the DIP Facility by the Monitor only after Tranche A has been fully drawn by the Borrowers, on the terms and conditions set out in this DIP Agreement after the entry of the DIP Amendment Order and upon satisfaction of, or waiver by the DIP Lender of the conditions set out under the paragraph below entitled "Availability under DIP Facility" and provided that the successful closing ("**Closing**") of a transaction of purchase and sale of substantially all silicon metal assets of BSI pursuant to an agreement of purchase and sale between the parties hereto (a "**Purchase Agreement**") has not occurred by June 8, 2012 and that the delay in Closing is not due to the failure of the Borrowers to fulfill any requisite conditions under such Purchase Agreement (the "**Closing Condition**") or any breach of the representations and warranties of the Borrowers in such Purchase Agreement.

Each of the Borrowers shall be jointly and severally liable for all DIP Advances and all other amounts owing hereunder.”

- (b) Section 5 of the DIP Agreement is hereby amended as follows:
- (i) by deleting the date “June 20, 2012” in the first paragraph thereof and replacing it with the date “July 4, 2012”; and
 - (ii) by adding the following sentence at the end of the first paragraph thereof:

“The aggregate principal amount owing under Tranche B of the DIP Facility, all accrued and unpaid interest thereon and prepayment penalties, if applicable, relating thereto shall also become immediately due and payable in full within two (2) business days following the termination of the Purchase Agreement. ”

- (c) Section 6 of the DIP Agreement is hereby amended by adding the following sentence at the end of Section 6:

“On and after the entry of the DIP Amendment Order, the Cash Flow Projections will extend to the period ending July 4, 2012.”

Section 4 Representations and Warranties.

Each of the Borrowers represent to the DIP Lender, and the DIP Lender represents and warrants to the Borrowers, that, subject to the entry of the DIP Amendment Order:

- (a) All necessary action has been taken by it to authorize the execution, delivery and performance of this Amending Agreement No. 2. This Amending Agreement No. 2 has been duly executed and delivered by it and constitutes legal, valid and binding obligations of it enforceable against it in accordance with its terms; and
- (b) The execution and delivery by it and the performance by it of its obligations under this Amending Agreement No. 2 will not conflict with or result in a breach of any of the terms or conditions of its constating documents or by-laws or any Applicable Law.

Section 5 Reference to and Effect on the DIP Agreement.

Upon this Amending Agreement No. 2 becoming effective, each reference in the DIP Agreement to “this DIP Agreement” and each reference to the DIP Agreement in any and all other agreements, documents and instruments delivered by the DIP Lender, any Borrower or any other person shall mean and be a reference to the DIP Agreement, as amended by this Amending Agreement No. 2. Except as specifically amended by this Amending Agreement No. 2, the DIP Agreement shall remain in full force and effect.

Section 6 Effectiveness.

This Amending Agreement No. 2 shall become effective upon the following conditions precedent being satisfied:

- (a) duly executed signature pages for this Amending Agreement No. 2 signed by each of the Borrowers shall have been delivered to the DIP Lender, and the DIP Lender shall have duly executed this Amending Agreement No. 2; and
- (b) the DIP Amendment Order shall have been obtained.

Section 7 Governing Law.

This Amending Agreement No. 2 shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Section 8 Time is of the Essence.

Time is of the essence in this Amending Agreement No. 2.

Section 9 Counterparts.

This Amending Agreement No. 2 may be executed in any number of counterparts, each of which is deemed to be an original, and such counterparts together constitute one and the same instrument. Transmission of an executed signature page by facsimile, e-mail or other electronic means is as effective as a manually executed counterpart of this Agreement.

IN WITNESS WHEREOF the parties have executed this Amending Agreement No. 2.

TIMMINCO LIMITED

Per: *PK*
Name: *Peter Kalins*
Title: *President, General Counsel
and Corporate Secretary*

BECANCOUR SILICON INC.

Per: *PK*
Name: *Peter Kalins*
Title: *President, General Counsel
and Corporate Secretary*

QSI PARTNERS LTD.

Per: _____
Name: _____
Title: _____

IN WITNESS WHEREOF the parties have executed this Amending Agreement No. 2.


TIMMINCO LIMITED

Per: _____
Name:
Title:

BECANCOUR SILICON INC.

Per: _____
Name:
Title:

QSI PARTNERS LTD.

Per: _____
Name: 
Title: **Stephen Lebowitz**
Authorized Representative

Schedule A
DIP Amendment Order

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.)
)
JUSTICE MORAWETZ)
)
FRIDAY, THE 18TH
DAY OF MAY, 2012

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.

Applicants

**ORDER
(Re Approval of Subsequent DIP Amendment)**

THIS MOTION, made by Timminco Limited ("**Timminco**") and Bécancour Silicon Inc. ("**BSI**" and, together with Timminco, the "**Timminco Entities**"), for an order approving the Subsequent DIP Amendment (defined below), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Kalins Affidavit and the Seventh Report of FTI Consulting Inc. in its capacity as Court-appointed Monitor of the Timminco Entities (the "**Monitor**"), and on being advised that those parties disclosed on the Service List attached to the Notice of Motion as Schedule "A" were served with the Notice of Motion and Motion Record, and on hearing the submissions of counsel for the Timminco Entities, the Monitor, Investissement Quebec, QSI Partners Inc., Dow Corning Canada, La Section Locale 184 De Syndicat Canadien

des Communciations, de l'Energie et du Papier, the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AMG Advanced Metallurgical Group N.V., Pierre Hamel, Denis Bourassa and Denis Desrosiers, the Financial Services Commission of Ontario and Mercer (Canada) Limited, in its capacity as the administrator of the Retirement Pension Plan for the Haley Plant Hourly Employees of Timminco Metals, A Division of Timminco Limited (Ontario Registration Number 0589648), no one appearing for any other person on the service list, although duly served as appears from the affidavit of service of Kathryn Esaw sworn May ●, 2012, filed,

1. **THIS COURT ORDERS** that amending agreement no. 2 dated May 9, 2012 between QSI Partners Ltd. (the "**DIP Lender**") and the Timminco Entities (the "**Subsequent DIP Agreement**"), constituting an amendment to the DIP Agreement, is hereby approved.

2. **THIS COURT ORDERS** that paragraph 2 of the Order of Justice Morawetz dated February 8, 2012 (the "**DIP Order**") is hereby amended as follows:

2. **THIS COURT ORDERS** that the Timminco Entities are hereby authorized and empowered to obtain and borrow under a credit facility (the "**DIP Facility**") from QSI Partners Ltd. (the "**DIP Lender**") for the purposes set out in the DIP Agreement (as defined below), provided that principal borrowings under such credit facility shall not, on or before June 8, 2012, exceed US\$4,250,000 (the "**Tranche "A" Maximum Amount**") and, after June 8, 2012, shall not exceed the aggregate of the Tranche A Maximum Amount and Cdn.\$2,500,000 (the "**Tranche B Maximum Amount**")

and together with the Tranche "A" Maximum Amount, the "Maximum Amount") unless permitted by further Order of this Court.

3. **THIS COURT ORDERS** that paragraph 4 of the DIP Order is hereby amended as follows:

4. **THIS COURT ORDERS** that within one business day of the date of this Order, the DIP Lender shall send by wire transfer to the Monitor the Tranche A Maximum Amount, to be deposited by the Monitor into a segregated, interest-bearing account of the Monitor (the "**Monitor Account**"). Subject to any applicable bank fees or charges in connection with the opening, operating and/or maintenance of the Monitor Account (the "**Bank Fees**"), unless and until funds are advanced by the Monitor to the Timminco Entities in accordance with the DIP Agreement, all funds in the Monitor Account, including interest earned thereon, are the sole property of the DIP Lender, and no lien, encumbrance, court-ordered charge, security interest, or hypothec in or on, or other claims to or interests in, the assets, undertaking, property or business of the Timminco Entities shall encumber, attach to or be admitted as a claim against the funds in the Monitor Account.

4. **THIS COURT ORDERS** that paragraph 7 of the DIP Order is hereby amended as follows:

7. **THIS COURT ORDERS** that subject to paragraph 6 hereof and subject to Section 5 of the DIP Agreement, as amended by the Amending Agreement between the DIP

Lender and Timminco Entities dated March 1, 2012 and as further amended by the Amending Agreement No. 2 between the DIP Lender and the Timminco Entities dated May 9, 2012, the Monitor shall return to the DIP Lender the balance of the Maximum Amount held by the Monitor in the Monitor Account, together with any interest earned thereon and less any Bank Fees incurred, as of the date of transfer, by initiating a wire transfer to an account designated in writing by the DIP Lender and delivered to the Monitor in accordance with the notice provisions provided for in the DIP Agreement forthwith upon the Maturity Date (as defined in the DIP Agreement, as amended by Amending Agreement No. 2).

5. **THIS COURT ORDERS** that within one business day of the date of this Order, the DIP Lender shall send by wire transfer to the Monitor the Tranche B Maximum Amount to be deposited by the Monitor into the Monitor's Account (as defined in the DIP Order) and held in accordance with the DIP Order. DIP Advances (as defined in the DIP Order) from the Tranche B Maximum Amount will be distributed by the Monitor to the Borrowers in accordance with the terms of the DIP Agreement, as amended by the Amending Agreement between the DIP Lender and Timminco Entities dated March 1, 2012 and the Subsequent DIP Amendment, and the DIP Order.

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

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

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

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

**ORDER
(RE APPROVAL OF SUBSEQUENT DIP
AMENDMENT)**

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