



News Release

STOCK SYMBOL: TIM
(The Toronto Stock Exchange)
Sedar Filer Profile #00000838

TIMMINCO ANNOUNCES EXECUTION OF DIP FINANCING AGREEMENT

TORONTO, January 19, 2012 – Timminco Limited (TSX:TIM) and its wholly-owned subsidiary Bécancour Silicon Inc. (collectively, the “Company”) announced that the Company has secured a commitment for “debtor-in-possession” (“DIP”) financing of US\$4.25 million (the “DIP Facility”), for the purposes of funding the Company’s operating costs, transaction costs and other expenses during the course of the proceedings commenced by the Company under the *Companies’ Creditors Arrangement Act* on January 3, 2012 (the “CCAA Proceeding”). The DIP Facility is being provided by QSI Partners Ltd. (the “DIP Lender”) pursuant to the terms and conditions of a DIP Agreement dated January 18, 2012. The DIP Facility expires on June 20, 2012.

Funding under the DIP Facility will be available immediately following an order from the Ontario Superior Court of Justice (Commercial Division) (the “Court”) approving the DIP Facility and the super-priority ranking of the charge required by the DIP Lender. The Company will be seeking such Court order, along with an order extending the CCAA stay of proceedings to April 30, 2012, at a hearing currently scheduled for January 27, 2012.

In connection with the DIP Facility, the Company has granted to the DIP Lender the exclusive right until January 31, 2012 to conduct due diligence and negotiate a “stalking horse bid” for the acquisition of the Company’s business and assets, including its interests in Québec Silicon Limited Partnership (which is not involved in the CCAA Proceeding) and Timminco Solar. The exclusivity will be extended by one week, to February 7, 2011, if by January 31, 2012 the DIP Lender submits a stalking horse bid that is in a form and substance that the Company is prepared to consider. The Company is under no obligation to accept any stalking horse bid from the DIP Lender, nor is there any obligation on the DIP Lender to submit any bid for all or any portion of the Company’s business or assets. Availability under the DIP Facility is not conditional upon the Company accepting any stalking horse bid from the DIP Lender.

The Company intends to seek Court approval of a marketing process after the expiry of the exclusivity period, which will provide all interested parties the opportunity to submit offers for the acquisition of the business and assets of the Company, or for the sponsorship of a plan of arrangement in respect of the Company.

“We are delighted to have achieved this significant milestone,” said Mr. Douglas A. Fastuca, Chief Executive officer of the Company. “This facility provides the necessary funds to allow us to operate throughout the anticipated duration of the CCAA restructuring process. We can now focus on moving toward a successful outcome to the restructuring, through an open and

competitive process. In the meantime, we expect to continue to purchase silicon metal from our Quebec Silicon joint venture and ship product to our customers as planned.”

Any party wishing to register its interest in participating in the marketing process at the conclusion of the exclusivity period or having inquiries regarding the CCAA Proceeding should contact the Monitor, FTI Consulting Inc. via email at: timminco@fticonsulting.com, or telephone: (416) 649-8125 or 1 (855) 244-0020 (toll free). Information about the CCAA Proceeding, including copies of all court orders and the Monitor’s reports, are available at the Monitor’s website <http://cfcanda.fticonsulting.com/timminco>.

About Timminco

Timminco produces silicon metal for the chemical (silicones), aluminum and electronics/solar industries, through its 51%-owned production partnership with Dow Corning, known as Québec Silicon. Timminco is also a producer of solar grade silicon, using its proprietary technology for purifying silicon metal, for the solar photovoltaic energy industry, through Timminco Solar, a division of its wholly owned subsidiary Bécancour Silicon.

Cautionary Notes

This news release contains “forward-looking information,” as such term is defined in applicable Canadian securities legislation, concerning Timminco’s future financial or operating performance and other statements that express management’s expectations or estimates of future developments, circumstances or results. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “expects”, “believes”, “anticipates”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “plans” and variations of such words and phrases, or by statements that certain actions, events or results “may”, “will”, “could”, “would” or “might” “be taken”, “occur” or “be achieved”. In this news release, such information includes statements regarding Court approvals and availability of funding under the DIP Facility. Forward-looking information is based on a number of assumptions and estimates that, while considered reasonable by management based on the business and markets, in which Timminco operates, are inherently subject to significant operational, economic and competitive uncertainties and contingencies. Timminco cautions that forward-looking information involves known and unknown risks, uncertainties and other factors that may cause Timminco’s actual results, performance or achievements to be materially different from those expressed or implied by such information, including, but not limited to: liquidity risk; global economic uncertainty; credit risk; pricing and availability of raw materials; silicon metal selling prices; customer concentration; power supply and electricity prices; production interruptions; transportation disruptions; limited history with solar grade silicon; solar grade silicon selling prices; customer commitments for solar grade silicon; solar grade silicon production costs; quality of solar grade silicon; producing ingots with Timminco’s solar grade silicon; protection of intellectual property rights; expansion of solar grade silicon production capacity; class action lawsuits; closure of former magnesium facilities; foreign exchange; investment in Applied Magnesium; interest rate risk; financing for capital expenditures; environmental liabilities; relationships with AMG; dependence upon key executives and employees; completion and integration of potential acquisitions, partnerships or joint ventures; risks with foreign operations and suppliers; environmental, health and safety laws and liabilities; intellectual property infringement claims;

new regulatory requirements; labour disputes; and changes in tax laws. These factors are discussed in greater detail in Timminco's Annual Information Form for the year ended December 31, 2010, and in Timminco's most recent Management's Discussion and Analysis, each of which is available via the SEDAR website at www.sedar.com. Although Timminco has attempted to identify important factors that could cause actual results, performance or achievements to differ materially from those contained in forward-looking information, there can be other factors that cause results, performance or achievements not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate or that management's expectations or estimates of future developments, circumstances or results will materialize. Accordingly, readers should not place undue reliance on forward-looking information. The forward-looking information in this news release is made as of the date of this news release and Timminco disclaims any intention or obligation to update or revise such information, except as required by applicable law.

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