

TIMMINCO LIMITED

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual Meeting of Common Shareholders of TIMMINCO LIMITED (the "Corporation") will be held on Thursday, May 25, 2006 at Le Royal Meridien King Edward Hotel, Knightsbridge Room, 37 King Street East, Toronto, Ontario, Canada, M5C 1E9 at 1:00 p.m. (local time) for the following purposes:

- (1) to receive the consolidated financial statements of the Corporation as at and for the year ended December 31, 2005, together with the auditors' report thereon;
- (2) to elect directors of the Corporation;
- (3) to appoint auditors of the Corporation and to authorize the directors to fix their remuneration;
- (4) to transact such further and other business as may properly come before the meeting or any adjournment thereof.

The Management Information Circular accompanying this notice of meeting contains more information on these matters. The 2005 Annual Report of the Corporation, which includes the consolidated financial statements of the Corporation as at and for the year ended December 31, 2005, together with the auditors' report thereon, also accompanies this notice of meeting.

Shareholders are entitled to vote at the meeting either in person or by proxy. **Shareholders who are unable to attend the meeting in person are requested to complete, date, sign and return the enclosed form of proxy to Computershare Investor Services Inc. at the address shown on the enclosed envelope at least 48 hours, excluding Saturdays and holidays, prior to the meeting or any adjournment thereof.**

DATED at Toronto, Ontario, this 13th day of April, 2006.

BY ORDER OF THE BOARD OF DIRECTORS

"Keith D'Souza"

Keith S. D'Souza
Vice President and Secretary

TIMMINCO LIMITED
MANAGEMENT PROXY CIRCULAR
PROXY INFORMATION

Solicitation of Proxies

This Management Proxy Circular (the “Circular”) is furnished in connection with the solicitation by the management of Timminco Limited (the “Corporation”) of proxies to be used at the annual meeting (the “Meeting”) of the holders of Common Shares of the Corporation (the “Shareholders”) to be held on Thursday, May 25, 2006 at 1:00 p.m. (local time) at Le Royal Meridien King Edward Hotel, Knightsbridge Room, 37 King Street East, Toronto, Ontario, Canada, and any adjournment thereof, for the purposes set forth in the notice of meeting accompanying this Circular (the “Notice”). While it is expected that the solicitation of proxies will be primarily by mail, proxies may be solicited personally or by telephone by directors, officers and employees of the Corporation. The cost of this solicitation will be borne by the Corporation.

Appointment and Revocation of Proxies

The persons named in the accompanying form of proxy are the Chairman of the Board and the President and Chief Executive Officer of the Corporation. **A Shareholder has the right to appoint a person (who need not be a Shareholder) other than the persons named in the accompanying form of proxy to represent the Shareholder at the Meeting. The Shareholder may exercise this right either by inserting such person’s name in the blank space provided in the form of proxy and striking out the other names or by completing another proper form of proxy.** A form of proxy will not be valid unless it is deposited with Computershare Investor Services Inc. at the address shown on the enclosed envelope at least 48 hours, excluding Saturdays and holidays, prior to the Meeting or any adjournment thereof.

Non-registered shareholders or shareholders that hold their shares in the name of a “nominee” such as a bank, trust company, securities broker or other financial institution, must seek instructions as to how to complete their form of proxy and vote their shares from their nominee. Non-registered shareholders will have received this Circular in a mailing from their nominee, together with a form of proxy or voting instruction form. It is important that non-registered shareholders adhere to the voting instructions provided to them by their nominee. Since the Corporation’s registrar and transfer agent, Computershare Investor Services Inc., does not have a record of the names of the Corporation’s non-registered shareholders, Computershare Investor Services Inc. will have no knowledge of a non-registered shareholder’s right to vote, unless the nominee has appointed the non-registered shareholder as proxyholder. Non-registered shareholders that wish to vote in person at the Meeting must insert their name in the space provided on the form of proxy or voting instruction form, and adhere to the signing and return instructions provided by their nominee. By doing so, non-registered shareholders are instructing their nominee to appoint them as proxyholder.

Proxies given by Shareholders for use at the Meeting may be revoked at any time prior to their use. In addition to revocation in any other manner permitted by law, a proxy may be revoked by depositing an instrument in writing executed by the Shareholder or his or her attorney authorized in writing, or, where the Shareholder is a corporation, by a duly authorized officer or attorney of the corporation, at the registered office of the Corporation, Sun Life Financial Tower, 150 King Street West, Suite 2401, Toronto, Ontario, Canada, M5H 1J9, at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used, or with the chairman of the Meeting on the day of the Meeting or any adjournment thereof, and upon either of such deposits the proxy is revoked.

Voting and Discretion of Proxies

On any ballot that may be called for, the Common Shares represented by the proxies which are hereby solicited will be voted for or against, or voted for or withheld from voting on, the matters identified in the form of

proxy, in each case in accordance with the instructions of the Shareholder. **Unless instructed otherwise, the officers of the Corporation named in the accompanying form of proxy intend to vote the Common Shares represented by proxies FOR the matter to be acted on at the Meeting. The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to amendments to or variations of the matters set out in the Notice and with respect to other matters that may properly come before the Meeting or any adjournment thereof.** As at the date of this Circular, management of the Corporation knows of no such amendments, variations or other matters that may properly come before the Meeting other than the matters referred to in the Notice, but if any such amendments, variations or other matters are properly brought before the Meeting, the persons named in the accompanying form of proxy will vote thereon in accordance with their best judgement.

VOTING SHARES AND PRINCIPAL SHAREHOLDERS

The Record Date for the determination of Shareholders entitled to receive the Notice and to vote at the Meeting has been fixed at April 13, 2006. As at the date of this Circular, the authorized capital of the Corporation consists of an unlimited number of Common Shares, of which 75,132,614 are issued and outstanding, and an unlimited number of Class A and Class B Preference Shares, none of which have been issued. Each Common Share will carry one vote per share at the Meeting.

As at the date of this Circular, to the knowledge of the directors and officers of the Corporation, the only persons who beneficially own, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of the votes attached to the Common Shares are as follows:

<u>Shareholder</u>	<u>Approximate Number of Common Shares</u>	<u>Percentage of Issued Common Shares</u>
Timmins Investments Limited ⁽¹⁾	9,349,487	12.4%
Becancour L.P. ⁽²⁾	40,909,092	54.4%

Notes

⁽¹⁾ Timmins Investments Limited ("TIL") is controlled by J. Thomas Timmins.

⁽²⁾ Safeguard International Fund, LLP ("Safeguard"), a limited partner of Becancour L.P. ("BLP"), directly holds a 99% interest in BLP, and holds the remaining 1% indirectly through a wholly owned subsidiary, Becancour GP, Inc., the General Partner of BLP. ALD International LLC, an affiliate of Safeguard, holds a US\$2,000,000 principal amount note issued by the Corporation that is convertible for common shares of the Corporation. See "Interest of Informed Persons in Material Transactions".

MATTERS FOR CONSIDERATION AT THE MEETING

Presentation of Financial Statements

The consolidated financial statements of the Corporation as at and for the year ended December 31, 2005, together with the auditors' report thereon, which are included in the 2005 Annual Report, will be placed before the Meeting.

Election of Directors

The articles of the Corporation provide that the number of directors shall consist of a minimum of three and a maximum of sixteen, to be elected annually. At the present time, the Board consists of nine directors. The individuals nominated for election as directors are set out below. If elected, each individual will serve until the next annual meeting of Shareholders or until his or her successor is duly elected or appointed.

Unless instructed otherwise, the officers of the Corporation named in the accompanying form of proxy intend to vote the Common Shares represented by proxies FOR the election of the nominees whose

names are set out below. If, prior to the Meeting, any of the proposed nominees whose names are set out below should for some reason become unavailable to serve as a director, the persons named in the accompanying form of proxy shall be entitled to vote for any other individual as a director in their discretion. As at the date of this Circular, management of the Corporation is not aware that any of the proposed nominees will be unavailable to serve as a director.

The following table and the notes thereto state the names of the persons proposed to be nominated for election as directors, their principal occupations and periods of service as directors of the Corporation and the approximate number of Common Shares and options to purchase Common Shares beneficially owned or controlled by each of them as of the date of this Circular.

Name and Residence Number of common shares beneficially owned or controlled directly or indirectly	Principal Occupation	Director and Committee Members since
<p>Heinz Schimmelbusch Residency: Pennsylvania, USA Common Shareholdings: Current: 211,000 directly owned Indirectly owned see below* Stock Options: Current: 500,000</p> <p>*Dr. Schimmelbusch and Mr. Spector are both Managing Directors of Safeguard which, through its ownership of BLP indirectly owns 40,909,092 common shares</p>	<p>Heinz Schimmelbusch is Chairman of the Board and Chief Executive Officer of the Corporation since April 22, 2003. He resigned as Chief Executive Officer of the Corporation on September 1, 2005. He is also Managing Director of Safeguard International Fund, LLP (private equity fund)</p>	<p>Timminco director since 2003 Member of:</p> <ul style="list-style-type: none"> - Strategic Committee (chair) - Human Resources Committee (chair)
<p>Arthur Spector Residency: Pennsylvania, USA Common Shareholdings: * Stock Options: Current: 450,000</p> <p>*Dr. Schimmelbusch and Mr. Spector are both Managing Directors of Safeguard which, through its ownership of BLP indirectly owns 40,909,092 common shares</p>	<p>Arthur Spector is the Vice Chairman of the Corporation since March 26, 2004. He was appointed Interim Chief Financial Officer for the period October 18, 2004 to April 3, 2005. He is also Managing Director of Safeguard International Fund, LLP (private equity fund)</p>	<p>Timminco director since 2003 Member of:</p> <ul style="list-style-type: none"> - Strategic Committee
<p>Charles H. Entrekin Residency: Pennsylvania, USA Common Shareholdings: Current: 25,000 Stock Options: Current: 475,000</p>	<p>Charles Entrekin was appointed the President and Chief Executive Officer of the Corporation on September 1, 2005. Prior to that he was Executive Vice President- Technology and Strategy of the Corporation, and, since 2003 is also a senior advisor of Safeguard International Fund, LLP (private equity fund). He was Managing Director of London & Scandinavian Metallurgical Co. Ltd. From 2003 to December 31, 2004 and prior to 2003 was Executive Vice</p>	<p>Timminco director since 2005</p>

Name and Residence Number of common shares beneficially owned or controlled directly or indirectly	Principal Occupation	Director and Committee Members since
	President – Commercial, Titanium Metals Corporation.	
Jay Kellerman Residency: Ontario, Canada Common Shareholdings: Current: 9,000 Stock Options: Current: 50,000	Jay Kellerman is a Partner of Stikeman Elliott LLP (law firm)	Timminco director since 2004 Member of: - Audit Committee - Human Resources Committee
Richard L. Lister Residency: Ontario, Canada Common Shareholdings: Current: 100,000 Stock Options: Current: 50,000	Richard Lister was President and Chief Executive Officer of Zemex Corporation from 1993 to 2002 and Vice Chairman of Zemex Corporation and Dundee Bank Corporation from 1991 to 1993, a director of Metech Corporation and Normiski Inc. from 2002 to 2004 and currently serves as a director for several private companies and non-profit organizations.	Timminco director since 2004 Member of: - Audit Committee (chair) - Human Resources Committee
Jack L. Messman Residency: Massachusetts, USA Common Shareholdings: Current: 25,000 Stock Options: Current: 75,000	Jack Messman is Chairman, President and Chief Executive Office, of Novell, Inc. (publicly traded software company) since 2001.	Timminco director since 2003 Member of: - Corporate Governance & Nominating Committee (chair)
J. Thomas Timmins Residency: Ontario, Canada Common Shareholdings: Current: 50 directly owned Indirectly owned see below* Stock Options: Current: 75,000 *Mr. Timmins is an officer and director of, and exercises control over, Timmins Investments Limited which owns an additional 9,349,487 common shares.	J. Thomas Timmins is President, Timmins Investments Limited (investment holding company)	Timminco director since 1957 Member of: - Strategic Committee
Michael Winfield Residency: Illinois, USA Common Shareholdings: Current: 0 Stock Options: Current: 50,000	Michael Winfield is a director of Metallurg, Inc. He retired from the position of President and Chief Executive Officer of UOP, LLC in 2001 but continues to serve on its Board of Managers and is a senior advisor. He also serves as Chairman of Landauer Corp.	Timminco director since 2004 Member of: - Audit Committee - Corporate Governance & Nominating Committee

Name and Residence Number of common shares beneficially owned or controlled directly or indirectly	Principal Occupation	Director and Committee Members since
Mickey Yaksich Residency: Ontario, Canada Common Shareholdings: Current: 0 Stock Options: Current: 75,000	Mickey Yaksich is Partner and Chief Operating Officer of McMillan Binch Mendelsohn LLP (law firm)	Timminco director since 1998 Member of: - Corporate Governance & Nominating Committee

Each person proposed to be nominated for election as a director of the Corporation has held the principal occupations identified above, or another executive position with the same company or firm, for not less than five years.

Other than as disclosed below, no director of the Corporation is, or within the ten years prior to the date hereof has been, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days; or (iii) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

On April 14, 2005, the Ontario Securities Commission issued a definitive management cease trade order which superseded a temporary management cease trade order dated April 1, 2005 against all the directors and officers of the Corporation in connection with the Corporation's failure to file its audited financial statements for the year ended December 31, 2004. These management cease trade orders expired on May 2, 2005.

No director of the Corporation has, within the ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or shareholder.

Appointment of Auditors

Shareholders will be asked to approve the re-appointment of KPMG LLP as the auditors of the Corporation to hold office until the close of the next annual meeting of the Shareholders at a remuneration to be fixed by the Board.

Unless instructed otherwise, the officers of the Corporation named in the accompanying form of proxy intend to vote the Common Shares represented by proxies FOR the reappointment of the present auditors, KPMG LLP, as auditors of the Corporation until the next annual meeting of the Shareholders and to authorize the directors to fix their remuneration.

SECURITY BASED COMPENSATION ARRANGEMENTS

Share Option Plan

The following is a summary of the Share Option Plan. Copies of the complete Share Option Plan are available upon request. Shareholders wishing to receive a copy of the Share Option Plan should make their request by telephone at 416-364-5171 ext. 302, by facsimile at 416-364-3451, by email at kdsouza@timminco.com or by mail to the Corporation at Sun Life Financial Tower, 150 King Street West, Suite 2401, Toronto, Ontario, Canada, M5H 1J9, Attention: Corporate Secretary.

The Share Option Plan is the Corporation's only compensation plan providing for the issuance of securities of the Corporation as compensation.

The purposes of the Share Option Plan are to promote a proprietary interest in the Corporation among employees and outside directors, to attract and retain employees and outside directors, and to provide an incentive to employees and outside directors who are in a position to contribute to the long-term growth and success of the Corporation. Options are granted at the discretion of the Board of Directors. Any director, officer or employee of the Corporation is eligible to participate.

At the date of this Circular, the maximum number of Common Shares available for future option grants under the Share Option Plan is 3,353,250 Common Shares (representing 4.46% of the outstanding Common Shares) and the maximum number of Common Shares subject to outstanding options is 3,575,000 Common Shares (representing 5% of the outstanding Common Shares).

The maximum number of Common Shares issued to any one insider and such insider's associates within any one-year period under the Share Option Plan and any other security based compensation arrangement is 5% of the issued and outstanding Common Shares (on a non-diluted basis). The maximum number of Common Shares issuable to insiders at any time under the Share Option Plan and any other security based compensation arrangement is 10% of the issued and outstanding Common Shares (on a non-diluted basis). The maximum number of Common Shares issued to insiders within any one-year period under the Share Option Plan and any other security based compensation arrangement is 10% of the issued and outstanding Common Shares (on a non-diluted basis).

The Share Option Plan provides that the exercise price for any option granted shall be an amount determined by the directors when the option is granted, such amount not to be less than the fair market value of the Common Shares on the date of the grant. Fair market value on any date means the closing board lot sale price per share of Common Shares on the Toronto Stock Exchange on the trading day prior to such date or, if there was not a board lot sale thereon on such day, then the immediately preceding board lot sale price per share on the Toronto Stock Exchange. If there has not been a board lot sale on the Toronto Stock Exchange within a period of two trading days prior to the date of grant, then fair market value means the average of the mean between the bid and ask prices per share for the Common Shares on such exchange on each of the five trading days prior to such date.

The Share Option Plan provides that options are exercisable only to the extent that they have vested. Options vest on the first, second, third and fourth anniversary of the date of grant, with one-quarter of the Common Shares comprising the option exercisable at each anniversary. The term of options granted under the Share Option Plan is seven years from the date of grant.

Upon termination of employment for any reason other than death, retirement or for cause, and upon the expiry of the additional exercise period, all unexercised options held by the recipient and any of the recipient's options which have not vested at such time shall expire, unless the directors determine otherwise. In the case of death, any unexercised options that were exercisable at the date of death may be exercised within one year of the date of death, at which time they shall expire. In the case of normal retirement, any unexercised options that were exercisable at the date of retirement may be exercised by the recipient until the third anniversary of the recipient's retirement, at which time they expire. Should the recipient die during this time period, then the right to exercise shall terminate on the earlier of the third anniversary of the recipient's retirement or the first anniversary of the recipient's death. If the recipient was terminated for cause, all options terminate immediately on cessation of employment.

For outside directors, upon ceasing to be a member of the Board of Directors for any reason other than death, the recipient will be entitled to exercise options until the third anniversary of the recipient ceasing to be a member of the Board of Directors, at which time such options will expire. Should the recipient die after ceasing to be a member of the Board of Directors, then the right to exercise shall terminate on the earlier of the third anniversary of the departure from the Board or the first anniversary of the date of the recipient's death. Should the recipient die while a member of the Board of Directors, any unexercised options that were exercisable at the date of death may be exercised within one year of the date of death, at which time they will expire.

In the event of a take-over bid for the Corporation, the Share Option Plan allows the recipient to surrender unexercised options to the extent exercisable and to receive a share appreciation right equal in value to the excess of the aggregate price per Common Share offered for the Common Share under the take-over bid of that stated number of Common Shares, over the aggregate option price of those Common Shares.

A recipient may, with the consent of the Board of Directors and the Toronto Stock Exchange (if required), request that all of the recipient's options be held by a corporation over which the recipient has sole control. Awards under the Share Option Plan are not otherwise assignable, negotiable or transferable, except in general by will or the laws of intestacy.

The Board of Directors may terminate the Share Option Plan at any time, provided that all rights and obligations created prior to such time shall not be affected. In addition, subject to regulatory approval, the Board of Directors may amend or discontinue the Share Option Plan at any time but no such amendment may: increase the aggregate maximum number of Common Shares to which the options are outstanding under the Share Option Plan; change the manner of determining the option price; extend the term of any option beyond seven years; or alter or impair any option previously granted to a recipient without consent of the recipient.

The Corporation does not provide financial assistance to participants under the Share Option Plan.

There are no entitlements under the Share Option Plan that have been granted but are subject to ratification by the Corporation's shareholders.

On March 20, 2006, the Board of Directors made various amendments to, and restated, the Share Option Plan to conform the Share Option Plan to current provisions of the Toronto Stock Exchange. Shareholder approval is not required under the provisions of the Share Option Plan or by the rules of the Toronto Stock Exchange.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table discloses the equity compensation plan information as of the end of the Corporation's most recently completed financial year.

<u>Plan Category</u>	<u>Number of securities to be issued upon exercise of outstanding options, warrants and rights</u>	<u>Weighted-average exercise price of outstanding options, warrants and rights</u>	<u>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)</u>
Equity compensation plans approved by securityholders	3,575,000 ⁽¹⁾	\$0.78	3,353,250
Equity compensation plans not approved by securityholders	- 0 -	- 0 -	- 0 -
Total	3,575,000		3,353,250

Notes:

⁽¹⁾ These securities relate to options issued under the Share Option Plan.

EXECUTIVE COMPENSATION

Compensation of Officers

The following table sets forth a summary of compensation earned during each of the Corporation's last three completed financial years by the Corporation's Chairman and former Chief Executive Officer, Interim Chief Financial Officer, President and Chief Executive Officer, former President and Chief Operating officer, former

Chief Financial Officer and the other three executive officers who were its most highly compensated executive officers during 2005 (the “Named Executive Officers”).

Summary Compensation Table

Name and Principal Position ⁽¹⁾	Year	Annual Compensation			Long-Term Compensation	
		Salary (\$)	Bonus (\$) ⁽⁴⁾	Other Annual Compensation (\$)	Securities Under Options/SARs Granted (#)	All Other Compensation (\$) ⁽⁵⁾
Heinz Schimmelbusch Appointed Chairman and Chief Executive Officer on April 2, 2003, resigned as Chief Executive Officer on September 1, 2005	2005	-0-	-0-	-0-	20,000	17,850
	2004	-0-	-0-	-0-	480,000	25,184
	2003	-0-	-0-	-0-	-0-	10,219
Arthur Spector Vice Chairman was appointed Interim Chief Financial Officer for the period October 18, 2004 to April 3, 2005	2005	-0-	-0-	-0-	20,000	17,850
	2004	-0-	-0-	-0-	430,000	19,760
	2003	-0-	-0-	-0-	-0-	11,463
Charles H. Entrekina Executive Vice President was appointed President and Chief Executive Officer on September 1, 2005	2005	323,707	198,200	-0-	475,000	17,780
	2004	-0-	-0-	-0-	-0-	-0-
	2003	-0-	-0-	-0-	-0-	-0-
George Chiarucci ⁽²⁾ Vice President – Finance and Chief Financial Officer – appointed on April 4, 2005 and resigned on April 30, 2006	2005	168,750	-0-	-0-	200,000	169,674
	2004	-0-	-0-	-0-	-0-	-0-
	2003	-0-	-0-	-0-	-0-	-0-
Tim R. Pretzer ⁽³⁾ President and Chief Operating Officer – appointed on April 2, 2003 and resigned on August 31, 2005 and appointed President – Magnesium Division of the Corporation effective September 1, 2005	2005	426,650	-0-	-0-	-0-	72,640
	2004	433,000	-0-	-0-	350,000	65,535
	2003	329,665	77,700	-0-	-0-	112,683
Rene Boisvert President – Silicon Division	2005	205,500	87,500	-0-	300,000	26,710
	2004	164,750	49,000	-0-	-0-	21,355
	2003	-0-	-0-	-0-	-0-	-0-
Keith S. D’Souza Vice President and Secretary	2005	198,175	60,000	-0-	100,000	19,042
	2004	175,600	-0-	-0-	100,000	16,753
	2003	175,600	54,670	-0-	-0-	71,377

Notes:

- (1) Mr. Pretzer's compensation for the month of December 2005 was paid by Timminco Corporation, an indirect, wholly owned subsidiary of the Corporation. Mr. Boisvert's compensation was paid by Becancour Silicon Inc., a wholly owned subsidiary of the Corporation. The compensation of all other Named Executive Officers was paid by the Corporation. No additional compensation was paid to any of these officers for their services as officers or directors of the Corporation's subsidiaries.
- (2) Mr. Chiarucci commenced employment as Vice President-Finance and Chief Financial Officer effective April 6, 2005 and resigned from the Corporation on April 30, 2006. Mr. Chiarucci was paid a severance payment of \$168,750.
- (3) The figures in the Salary column for Mr. Pretzer for the month of December 2005, and for Dr. Entrekin for 2005, have been converted from U.S. dollars to Canadian dollars using the average rate of exchange for the appropriate calendar year. The amounts reflected in the bonus column have been converted from U.S. dollars to Canadian dollars using the exchange rate as at each respective year-end.
- (4) No payments were made from the "Incentive Compensation Plan for Corporate and Magnesium Division Employees". Mr. Boisvert received a payment from the "Incentive Compensation Plan for the Silicon Division Employees" Discretionary bonuses were paid to Dr. Entrekin and Mr. D'Souza as disclosed.
- (5) The amounts in this column relate to annual contributions by the Corporation to:
 - (i) in the case of Mr. Pretzer for the period January to November 2005 and Mr. D'Souza, the Corporation's Pension Savings and its Base Group RRSP Plans;
 - (ii) insurance premiums paid by the Corporation and/or a subsidiary with respect to term life insurance for the benefit of the Named Executive Officers;
 - (iii) with respect to Mr. Pretzer for the month of December 2005 and for Dr. Entrekin for 2005, contributions to the 401(k) Savings Plan; and
 - (iv) in the case of Dr. Schimmelbusch and Mr. Spector, the amount represents directors' fees.
 - (v) in the case of Mr. Boisvert, contributions to the defined benefit pension plan, and Group RRSP program.

Life insurance premiums, contributions to the 401(k) Savings Plan, and health benefits, for Dr. Entrekin, and Mr. Pretzer for the month of December 2005, have been converted from U.S. dollars to Canadian dollars using the average rate of exchange for the year.

Options

The following table sets forth details of individual grants of options to purchase or acquire securities of the Corporation or any of its subsidiaries made during the financial year ended December 31, 2005:

Option Grants During the Most Recently Completed Year

<u>Name</u>	<u>Securities Under Options Granted (#)</u>	<u>% of Total Options Granted to Employees in Financial Year</u>	<u>Exercise or Base Price (\$/Security)</u>	<u>Market Value of Securities Underlying Options on the Date of Grant (\$/Security)</u>	<u>Expiration Date</u>
Heinz Schimmelbusch	20,000	1%	.59	.59	November 11, 2012
Arthur Spector	20,000	1%	.59	.59	November 11, 2012
Charles H. Entrekin	475,000	27%	.59	.59	November 11, 2012
George Chiarucci	200,000	12%	.59	.59	November 11, 2012
Rene Boisvert	300,000	17%	.59	.59	November 11, 2012
Keith S. D'Souza	100,000	6%	.59	.59	November 11, 2012

The following table sets forth, on an aggregate basis, details of each exercise of stock options during the financial year ended December 31, 2005 by the Named Executive Officers and the number and value of unexercised options as at December 31, 2005:

Aggregated Options Exercised During the Most Recent Financial Year and Financial Year-End Option Values

<u>Name</u>	<u>Shares Acquired on Exercise (#)</u>	<u>Aggregate Value Realized (\$)</u>	<u>Unexercised Options/SARs at Financial Year-End (#)</u>	<u>Value of Unexercised in-the-Money Options at Financial Year-End \$(1)</u>
			<u>Exercisable/Unexercisable (2)</u>	<u>Exercisable/Unexercisable</u>
Heinz Schimmelbusch	---	---	120,000/500,000 (options)	-0/-0-
Arthur Spector	---	---	107,500/450,000 (options)	-0/-0-
Charles H. Entrekin	---	---	-0-/475,000 (options)	-0/-0-
George Chiarucci	---	---	-0-/200,000 (options)	-0/-0-
Tim R. Pretzer	---	---	87,500/350,000 (options)	-0/-0-
Rene Boisvert	---	---	-0-/300,000 (options)	-0/-0-
Keith S. D'Souza	---	---	25,000/200,000 (options)	-0/-0-

Notes:

- (1) An option is "in-the-money" at December 31, 2005 if the market price of the Corporation's Common Shares on that date exceeds the exercise price of the option. The value of unexercised options is based on \$0.37, the closing price of the Common Shares on the TSX on December 30, 2005.
- (2) Options to purchase Common Shares of the Corporation granted: (i) in 2005 at an exercise price of \$0.59, the market value of a Common Share on the day prior to November 11, 2005, the date of grant. All unexercised options expire on November 11, 2012; and (ii) in 2004 at an exercise price of \$0.96, the market value of a Common Share on the day prior to March 26, 2004, the date of grant. All unexercised options expire on March 26, 2011.

Pension Arrangements

Dr. Entrekin participated in a 401(K) Savings Plan in the United States. Under the 401(K) Savings Plan, the Corporation makes a matching contribution of 100% of the first 3% and 50% of the next 2% of Dr. Entrekin's contribution. In addition, in 2005, the Corporation made an annual discretionary contribution equal to 4% of Dr. Entrekin's eligible compensation.

In the case of Mr. Pretzer, for the period January 1, 2005 to November 30, 2005, and Mr. D'Souza, (the "Canadian Executives") have participated in a Base Group RRSP and the Corporation's Pension Savings Plan. Under the Base Group RRSP, the Corporation contributes 5% of the Canadian Executives' compensation to the Base Group RRSP. The Corporation's Pension Savings Plan (the "Savings Plan") is comprised of a registered retirement savings plan and a non-registered savings plan. Under the Savings Plan, the Canadian Executives may contribute up to 10% of their compensation and the Corporation then makes a matching contribution of 80% of the contribution to a maximum of 4% of their compensation to the Savings Plan. The contributions are directed to the registered retirement savings plan of the Canadian Executives up to the allowed Canada Revenue Agency annual maximum for each individual. The Canadian Executives may direct any contributions that exceed their Canada Revenue Agency allowed annual maximum to be paid to the non-registered savings plan. Compensation, for the purpose of this paragraph, includes only the compensation in the columns under the headings "Salary" in the "Summary Compensation Table".

For the month of December 2005, Mr. Pretzer participated in a 401(k) Savings Plan in the United States. Under the 401(k) Savings Plan, subsidiaries of the Corporation contribute 10% of Mr. Pretzer's compensation. For this purpose, compensation includes only the compensation in the column under the heading "Salary" in the "Summary Compensation Table."

In the case of Mr. Chiarucci, due to Base Group RRSP and Savings Plan enrolment restrictions in the first year of employment, he did not participate in the Corporation's pension arrangements.

In the case of Mr. Boisvert, a subsidiary of the Corporation sponsors a contributory defined benefit pension plan (the "Pension Plan") for all employees of the subsidiary. The Pension Plan provides, for each year of credited

service (maximum of 35 years), a pension payable at age 65 based on the following formula: the annual pension is equal to 1.2% of the average earnings up to the average maximum earnings covered by the Quebec Pension Plan (“YMPE”), plus 1.85% of the average earnings in excess of the average YMPE. “**Earnings**” excludes bonuses, overtime, commissions and any other compensation not recognized by the subsidiary. “**Average Earnings**” is defined as the highest average earnings over a period of three consecutive calendar years in the period of ten years of credited service preceding retirement. The annual pension is limited to the maximum allowed in 2005 under the Pension Plan, which is \$2,000 per year of credited service. The maximum allowed will increase to \$2,111 in 2006.

Members may retire as early as age 55. The pension is unreduced and bridge benefits are payable when certain conditions are met: age 58 and rule of 80, or age 60. The bridge is equal to 0.65% of the average YMPE for each year of credited service. Effective January 1, 2006, an additional bridge benefit is provided to members between age 58 and 60 and is equal to 0.40% of the average YMPE for each year of credited service. When the conditions are not met, a reduced lifetime pension, without bridge benefits, is payable. The Pension Plan provides benefits in case of termination of employment and in case of death.

The Pension Plan is subject to the requirements of the Quebec pension legislation and is registered under the Income Tax Act (“ITA”) with the Canada Revenue Agency.

Pension Plan Table

Remuneration	Years of Credited Service				
	15	20	25	30	35
\$122,500 and above	\$30,000	\$40,000	\$50,000	\$60,000	\$70,000

Name	Years of Credit Service ⁽¹⁾ #	Final Average Earnings ⁽¹⁾ \$	Accrued Annual Pension Benefit at age 65 ⁽¹⁾ \$
Rene Boisvert	18.5	175,000	37,000

⁽¹⁾ All information is at December 31, 2005

The subsidiary also sponsors a non-contributory Group RRSP, whereby the employee’s account is credited 3.0% of his pensionable earnings. The employee directs the contributions to various investment options offered by the plan administrator. At retirement, he has various options to convert the value of his account into additional income during retirement. The Group RRSP is registered under the ITA and is not subject to the Quebec pension legislation.

Termination of Employment, Change in Responsibilities and Employment Contracts

On August 1, 2003, the Corporation entered into an employment agreement with Mr. Tim Pretzer for a term ending on the earlier of April 1, 2008 and a date on which one of a list of certain specified events, the latter referred to as a “Termination Prior to the Term of the Agreement”, occurs. The agreement provides that Mr. Pretzer will receive a base salary of \$433,000 per annum during the term of the agreement subject to adjustment on a yearly basis by the Human Resources Committee. The agreement provides that the employment of Mr. Pretzer may be terminated at any time for cause. If Mr. Pretzer’s employment is terminated without cause or in the event of a change of control, Mr. Pretzer will be entitled to receive a lump sum payment equivalent to twelve months base salary less statutory deductions. All benefits, with the exception of life insurance, accidental death and dismemberment and disability benefits, will continue for a period of twelve months. The agreement contains covenants regarding confidentiality and non-competition.

On August 31, 2005, Mr. Pretzer resigned from his position of President and Chief Operating Officer of the Corporation and was appointed President – Magnesium Division of the Corporation, effective September 1, 2005.

With the exception of a change to his annual base salary to US\$293,000, there were no changes to the terms of his employment contract, described above.

Since Mr. Pretzer agreed to relocate back to the United States from Canada, the interest-free loan of \$500,000 provided to him was repaid in full. Although Mr. Pretzer was also eligible to receive an annual incentive bonus for the fiscal year 2005 in an amount up to 50% of his annual base salary based upon certain financial performance objectives and personal objectives set by the Corporation and Mr. Pretzer, as the Corporation did not achieve its financial targets, no incentive bonuses were paid out.

Composition of the Compensation Committee

The entire Board of Directors is responsible for assessing the performance of the Chief Executive Officer against predetermined goals and criteria (including corporate performance), reviewing and making recommendations on the compensation of the Chief Executive Officer and reviewing and approving the compensation of officers reporting to the Chief Executive Officer. The Corporate Governance and Nominating Committee of the Board of Directors reviews and makes recommendations to the Board with respect to the Share Option Plan, and reviews and approves any significant changes to employee benefits.

Dr. Heinz Schimmelbusch, the Chairman, Mr. Arthur Spector, the Vice Chairman and Dr. Charles Entekin, the President and Chief Executive Officer of the Corporation, were each officers of the Corporation and members of the Board of Directors during the year ended December 31, 2005. None of the other members of the Board of Directors were officers or employees of the Corporation or any of its subsidiaries during the year ended December 31, 2005.

At its November 10, 2005 Board meeting and on the recommendation of the Corporate Governance and Nominating Committee, a Human Resources Committee of the Board of Directors was appointed.

Report on Executive Compensation

Strategy

The Corporation's executive compensation policies have been structured to accomplish the following goals:

- (a) Retain the services of proven executives; their experience and expertise are an important foundation upon which future profit and shareholder value will be built.
- (b) Reward individuals for their contribution to the overall success of the Corporation, and for successfully achieving objectives in their own area of responsibility.
- (c) Connect the long-term interests of each executive with the shareholders' desire to achieve a superior level of investment return.
- (d) Attract outstanding executive candidates to the Corporation who are able to deliver superior management skills.

Executive compensation consists of three primary components: base salary, bonus payments, including payments under the Incentive Compensation Plan and stock options.

Salary

Base salary is the principal component of executive compensation. These are reviewed and adjusted periodically against survey data and advice from independent compensation consultants, supplemented by other sources of information, to ensure base salary remains competitive with standards prevailing in local employment markets.

Incentive Compensation Plan for Corporate and Magnesium Division Employees

Effective January 1, 2003, the Corporation established an incentive compensation plan for management of the Corporate and the Magnesium Division Employees (the "Incentive Compensation Plan") (excluding the Chairman and Vice Chairman, but including other Named Executive Officers) who contribute substantially to the success of the Corporation. Those functions which have a significant and recurring impact on the profitability of the Corporation or division thereof are eligible to participate. Participants are assigned to categories in accordance with their position.

Eligible employees have the opportunity to earn compensation awards in return for achieving pre-established standards of business performance.

The potential amount of the award, and the measures that define performance are dependent upon the category into which each eligible employee is placed.

The Incentive Compensation Plan considers financial, productivity, safety and environmental measures, all of which are customized to the unique expectations of the jobs in each category. Each category includes only those measures pertinent to the participant's jobs in that category. Performance measures are established at the beginning of the year. Each category includes minimum performance standards that must be achieved before any amount of award may be earned, as well as performance standards that limit the maximum award opportunity.

Overriding the award opportunities for each category is a "trigger" condition that states, "all earned incentive awards will be forfeited if actual corporate net profit is not at least fifty percent of its target level".

Payouts under the Incentive Compensation Plan are made in cash as soon as practical following the year-end, and after performance measures have been assessed and the Corporation's financial results have been determined and audited.

For fiscal 2005, no Incentive Compensation Plan awards were paid out.

Incentive Compensation Plan for the Silicon Division Employees

The Silicon Division established an incentive compensation plan for non-unionized employees. Participants are assigned to categories in accordance with their positions and have the opportunity to earn compensation awards in return for achieving pre-established goals, business and personal.

Payments are made in cash as soon as practical following the year end and after performance measures have been accessed and the Division's financial results have been audited.

Stock Option Grants

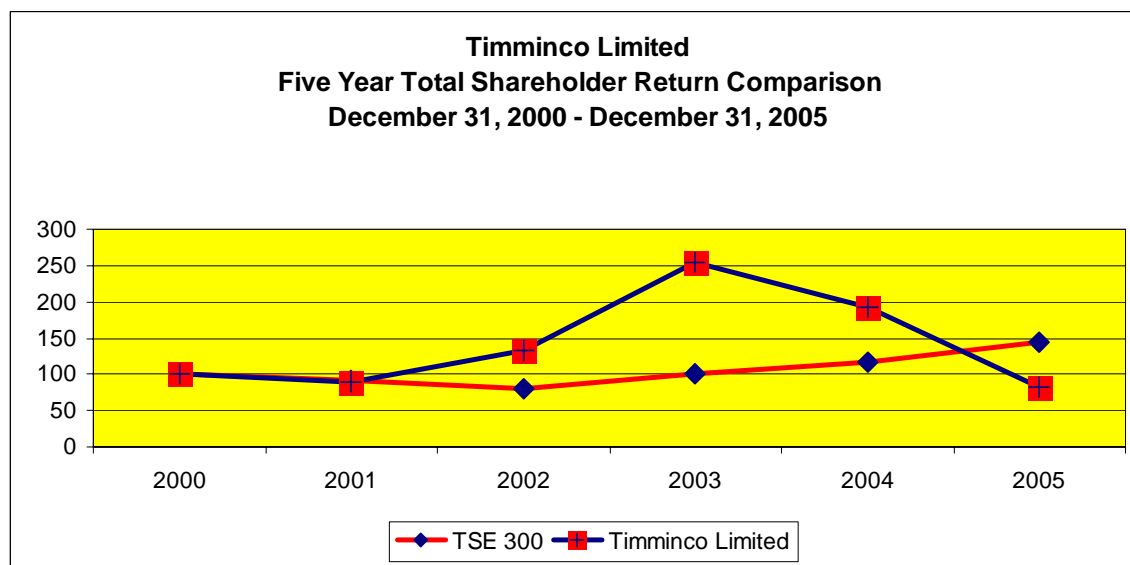
The Board of Directors considers grants of stock options from time to time. This component of compensation links executive actions directly to the development of long-term shareholder value. Further, the Share Option Plan also serves to link the interests of executive and senior officers/managers to one another, thereby rewarding teamwork. The number of options granted, in aggregate, to executive and senior officers/managers reflect the Board's opinion of the degree to which each individual has the capacity to influence profit. Options awarded within a given grant expire after seven years and vest in the interest of each individual based on length of service. No options may be exercised during the first twelve months following the date granted.

Report Presented By:

The Board of Directors

Performance Graph

The following graph compares the cumulative return for \$100 invested in the Corporation's Common Shares on December 31, 2000 with the cumulative total return of the TSX 300 over the five year period ended December 31, 2005.



	2000	2001	2002	2003	2004	2005
TSE 300 Return	100	91	80	101	116	144
Timminco Limited Return	100	89	133	253	193	82

Compensation of Directors

Directors' fees and expenses

With the exception of Dr. Entrekin, each director of the Corporation or any of its subsidiaries is paid a fixed fee for each financial year of the Corporation and each director of the Corporation who is a member of the Strategic Committee of the Board is paid an additional fixed fee for each financial year of the Corporation. In 2005, the fixed fee for directors was \$6,000 and the fixed fee for Strategic Committee members was \$2,500. In addition, directors also receive a fee of \$850 for each Board or Board Committee meeting attended. Each director is reimbursed for expenses incurred in connection with the attendance of such meetings.

Mr. J. Thomas Timmins, a former Chairman and Chief Executive Officer of the Corporation, receives a monthly consulting fee at \$20,833.

On November 10, 2005, the Board granted to the directors options to purchase common shares of the Corporation pursuant to the Share Option Plan at an exercise price of \$0.59 per share, which options will expire on November 11, 2012.

Indebtedness of Directors and Executive Officers

In December 2005, Mr. Pretzer, the President – Magnesium Division, received an interest-free loan from the Corporation in the amount of US\$100,000, except as has been repaid, which is repayable in equal monthly instalments and is based on a 10-year amortization.

<u>Purpose</u>	<u>Aggregate Indebtedness</u>	
	<u>To the Corporation or its Subsidiaries</u>	<u>To Another Entity</u>
Share Purchases	-0-	-0-
Other	US\$100,000	-0-

During the financial year ended December 31, 2005, no other director, senior officer, executive officer or any proposed nominee for election as a director of the Corporation, and none of their respective associates was indebted to the Corporation or any of its subsidiaries.

Directors and Officers Liability Insurance

A policy is in effect providing executive liability and indemnification insurance, the policy limit being \$15,000,000 per claim or in aggregate for the policy year ending May 1, 2006. The coverage applies to the directors and officers of the Corporation and all subsidiaries.

The policy has a corporate reimbursement section, with a deductible of \$100,000 per claim, which reimburses the Corporation for settled claims and defence costs when covered by the policy, and where the Corporation is permitted by law and under the by-laws of the Corporation to reimburse directors and officers.

The premium applicable to the 2005 fiscal year was approximately \$98,300, which was paid by the Corporation.

On April 2, 2003, due to the change of control resulting from the subscription by BLP (the “Change of Control”), the Corporation purchased additional “run-off” insurance for a period of five years for approximately \$146,000, in which the previous Board of Directors and officers are covered for any wrongful acts that may have occurred prior to the Change in Control but have not been reported.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

On May 24, 2005, the Corporation increased its investment in Fundo Wheels by acquiring an additional 23% equity interest. Under the terms of the share purchase agreement the Corporation acquired the Fundo Wheels shares held by Aluwheel W.L.L. (Aluwheel) and Fundo International W.L.L. (Fundo International), two shareholders of Fundo Wheels in exchange for an aggregate 5,750,000 newly issued common shares of the Corporation. Following completion of the transaction, Aluwheel and Fundo International together hold approximately 7.7% of the issued and outstanding common shares of the Corporation and the Corporation holds a 47% equity interest in Fundo Wheels. The remaining 53% of the equity in Fundo Wheels is held by Høyanger Kommune.

On March 6, 2006, Becancour Silicon Inc. (“Becancour”), a wholly-owned subsidiary of the Corporation, issued a US\$2,000,000 demand promissory note (the “Note”) in favour of ALD International LLC (the “Lender”), an affiliate of Safeguard International Fund, LLP. The Note bears interest at the U.S. prime rate plus 1%. The loan and related security is subordinate to the indebtedness and the security under a credit agreement with the Corporation’s senior lender, Bank of America, N.A. The whole or any part of the principal amount of the Note may

be converted by the Lender at its option, at any time, into common shares of the Corporation at a conversion rate of Cdn.\$0.40 per share (with U.S. dollars being converted to Canadian dollars on the date of conversion).

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (“NI 58-101”) requires the Corporation to disclose, on an annual basis, its approach to corporate governance with reference to the guidelines provided in National Instrument 58-102 - *Corporate Governance Guidelines* (the “Guidelines”). The Guidelines are not intended to be prescriptive. The Corporation is encouraged to consider the Guidelines in developing its own corporate governance practices, in its own context, and to explain to the investment community its approach to governance.

The Board believes that effective corporate governance contributes to improved corporate performance and enhanced shareholder value. The Corporation’s governance practices are subject to at least an annual review and evaluation through the Board’s Corporate Governance and Nominating Committee to ensure that, as the Corporation’s business develops and grows, changes in structure and process necessary to ensure continued good governance are identified and implemented.

The following statement, which describes the Corporation’s current governance practices, has been prepared and approved by the Board.

Composition of the Board

The Board currently comprises nine members. The Board believes that five of its current members, Messrs. Kellerman, Lister, Messman, Winfield and Yaksich, are “independent” for purposes of NI 58-101. In reaching this determination, the Board considered the circumstances, experience and relationships with the Corporation and its affiliates of each of the directors, including in the case of Mr. Yaksich, his position as a partner with the law firm of McMillan Binch Mendelsohn LLP, a firm which provides legal advice to the Corporation from time to time.

Dr. Entrekin was appointed the President and Chief Executive Officer of the Corporation on September 30, 2005. By virtue of his role, he is not independent within the meaning of National Instrument 58-101. Mr. Timmins, who receives \$20,833 in monthly consulting fees under a Post-Employment and Life Insurance Agreement, is also not independent within the meaning of National Instrument 58-101.

By virtue of Dr. Schimmelbusch acting as Chief Executive Officer of the Corporation for the period April 2, 2003 to August 31, 2005 and Mr. Spector acting as Interim Chief Financial Officer of the Corporation for the period October 18, 2004 to April 3, 2005, Dr. Schimmelbusch and Mr. Spector are also not independent within the meaning of National Instrument 58-101.

Details of other reporting issuers on which the Corporation’s directors also sit as board members are disclosed under the heading “Election of Directors”.

The roles of the Corporation’s CEO and Board Chairman are separate. The five independent members of the Board, as applicable, exclude the CEO and management for portions of their meetings to enable open and frank discussion. Such occurrences are at the request of the Chairman or any member of the Board.

The Chairman of the Board is not independent, however, the Board is of the view that Dr. Schimmelbusch’s acting as both Chairman and an officer does not impair the ability of the Board to act independently of management. In reaching this conclusion, the Board has taken into consideration a number of factors, including (i) the number and proportion of unrelated, outside members of the Board and (ii) the assignment to the Corporate Governance and Nominating Committee of the responsibility normally exercised by a board chairman of evaluating and developing the Board’s corporate governance practices.

The Board meets at least four times a year, or more frequently if required. In 2005, the Board held eleven meetings.

Mandate of the Board

The Board's responsibility is to supervise the executive managers of the business and affairs of the Corporation and to act with a view to the best interests of the Corporation and its shareholders.

In the discharge of this responsibility, the Board oversees and reviews directly or through its various Committees, the Corporation's results of operations, significant corporate plans and business initiatives, including the development and implementation of the annual business plan, strategic plans, major acquisitions and divestitures, public communications policies, the Corporation's senior management recruitment, assessment and succession processes and the Corporation's internal control and management information systems to identify and manage principal business risks. The Board is also responsible for reviewing its size and the compensation paid to its members, to ensure that the Board can fulfil its duties effectively and that its members are adequately compensated for assuming the risks and carrying out the responsibilities of their positions.

In appropriate circumstances, individual directors have the right to engage an outside advisor, at the expense of the Corporation, to assist the director in dealing with his responsibilities. Such an engagement is subject to approval by the Corporate Governance and Nominating Committee.

The Board considers, as a general rule, that management should speak for the Corporation in its communications with shareholders and the investment community, in the context of shareholder and investor relations programs reviewed and approved periodically by the Board.

The Corporation conducts a shareholder and investor relations program, under the direction of senior management. The program involves receiving and responding to shareholder inquiries, briefing analysts and fund managers with respect to reported financial results and other announcements by the Corporation, as well as meeting with individual investors and other stakeholders. The Board reviews the Corporation's major communications with shareholders and the public, including financial results, annual reports and management proxy circulars.

The charter of the Board is attached as Appendix 'A'.

The Board has not developed a written position description for the Chairman of the Board, and has not developed such descriptions for the Committee Chairs. The Committee Chairs are expected to supervise the activities of such committees and to ensure that they are taking all steps necessary to fulfil their respective mandates.

Under the auspices of the Board a written position description is in the process of being revised for the Chief Executive Officer that outlines the basic functions and responsibilities of the Chief Executive Officer. The Chief Executive Officer's responsibilities include, among other things, directing the business with the objective of providing quality service excellence to customers, providing maximum profit and return on invested capital, establishing current and long-range objectives, plans and policies, representing the Corporation with its major customers, the financial community and the public, and providing leadership to the management team.

Orientation and Continuing Education

The Corporation is in the process of developing a directors' handbook, which will be provided to each director and any new directors upon their election or appointment. The handbook will contain Board and committee mandates, codes of conduct, policies and other relevant information. Materials will be updated annually, or more frequently as necessary. To ensure that the members of the Board remain fully informed about the Corporation's operations on a continuing basis, management reports on the Corporation's activities and on various aspects relevant to the business on an on-going basis, during regularly scheduled Board meetings and through monthly mailings. Management from the main operating divisions are invited to Board meetings to provide the directors with an overview of the current issues and business strategies. The task of ensuring that appropriate orientation programs are in place for new directors is the responsibility of the Corporate Governance and Nominating Committee.

Ethical Business Conduct

The Corporation maintains a Board-approved Code of Conduct and Ethics for Directors and Officers for which no waivers have currently been sought or granted. The Corporation's Code of Conduct and Ethics for Directors and Officers addresses conflicts of interest, confidentiality, protection and proper use of corporate assets, fair dealing, and compliance with laws, rules and regulations, and it encourages reporting of any illegal or unethical business practices. The Code of Conduct and Ethics for Directors and Officers is signed by each director, officer and employee of the Corporation. Anyone may obtain a copy of it through SEDAR at www.sedar.com.

In circumstances in which the Board must consider transactions and agreements in respect of which a director or executive officer has a material interest, the nature of such interest is declared, and the affected individual does not participate in the vote on the matter.

Nomination of Directors

The Corporate Governance and Nominating Committee makes recommendations as to the size and composition of the Board; reviews qualifications for potential candidates for election to the Board; recommends for the Board's approval the slate of nominees for presentation to the annual shareholders' meetings; and makes recommendations with respect to the membership of committees. The Committee is also responsible for reviewing and reporting to the Board annually on the overall performance and composition of the Board and its Committees.

It is the Corporate Governance and Nominating Committee that is responsible for all corporate governance matters, including but not limited to establishing, evaluating and maintaining the state of the Corporation's corporate governance practices to ensure that such practices are current, appropriate and effective.

The Corporate Governance and Nominating Committee is comprised of three independent directors: Mr. Messman as Chairman and Messrs. Winfield and Yaksich. The Corporate Governance and Nominating Committee met on two occasions in 2005.

Compensation

The Corporation has a Human Resources, Compensation and Pension Committee that reviews all personnel matters, including performance, compensation, succession and pension arrangements. The Committee reviews the form and adequacy of compensation for directors and officers of the Corporation, and reviews all of the Corporation's employee incentive plans. The Committee also reviews the performance and remuneration of the Corporation's CEO and other senior management. At least annually, the Committee reviews and makes recommendations to the Board with respect to the performance and remuneration of the CEO, other officers, the directors and other senior management. The Committee reviews and considers publicly disclosed compensation information by industry competitors in making its recommendations.

The Human Resources, Compensation and Pension Committee is comprised of three members, two of whom are independent: Dr. Schimmelbusch as Chairman and Mr. Kellerman and Dr. Lister. The Human Resources, Compensation and Pension Committee was formed in November 10, 2005 and did not meet in 2005. Prior to its formation, its functions were performed by the Board as a whole.

Other Board Committees

The Board has four standing committees: the Strategic Committee, the Audit Committee, the Corporate Governance and Nominating Committee and the Human Resources, Compensation and Pension Committee. The Corporate Governance and Nominating Committee is described above under the heading, "Nomination of Directors." The Human Resources, Compensation and Pension Committee is described above under the heading, "Compensation."

Strategic Committee

The purpose of the Strategic Committee is to receive communications from and offer advice to the Chairman and Chief Executive Officer on management issues. The Strategic Committee will not act on behalf of the Board and will, after the Meeting, be subject to renewal on an annual basis.

The Strategic Committee is comprised of three members, none of whom are independent: Dr. Heinz Schimmelbusch as Chairman and Messrs. Spector and Timmins. The Strategic Committee had two meetings in 2005.

Audit Committee

The purpose of the Audit Committee is to augment and improve financial disclosure and to ensure the Corporation's compliance with disclosure requirements. The Audit Committee is responsible for overseeing the Corporation's accounting policies, financial reporting procedures, internal controls and management information systems and for reviewing the scope, terms, findings and results of internal and external audits of the Corporation. The Audit Committee maintains direct communications with the Corporation's external auditors and the Corporation's senior officers responsible for accounting and financial matters.

The Audit Committee is comprised of three members, all of whom are independent: Dr. Richard Lister as Chairman, and Messrs. Kellerman and Winfield. The Audit Committee met four times in 2005.

Assessments

The Board of Directors annually assesses, on an informal basis, the effectiveness of the Board of Directors as a whole, the Board Chair, the Board Committees, the Committee Chairs and the contribution of individual directors. These assessments, if necessary, are incorporated into recommendations for improvement.

Expectations of Management

The Board believes that management is responsible for the development of long-term strategies for the Corporation and that the role of the Board is to review, question, validate and ultimately approve the strategies proposed by management. The Board's expectations of management are developed and communicated during regular Board and Committee meetings, where members of senior management review and advise the Board on the Corporation's progress and on strategic, operational and financial issues facing the Corporation.

SHAREHOLDER PROPOSALS FOR NEXT ANNUAL MEETING

The Corporation must receive proposals from shareholders to include as items in next year's management proxy circular for the Corporation's 2007 annual shareholder meeting by January 14, 2007.

AUDIT COMMITTEE CHARTER

A summary of the Charter of the Audit Committee is found in the Corporation's annual information form under "Audit Committee, Charter and Audit Fees".

ADDITIONAL INFORMATION

Additional information about the Corporation may be found on the SEDAR website at www.sedar.com. Additional financial information is provided in the Corporation's comparative financial statements and management's discussion and analysis for its year ended December 31, 2005, as contained in the 2005 Annual Report. A copy of this document and other public documents of the Corporation are available upon request to the Corporate Secretary of the Corporation.

APPROVAL OF THE BOARD OF DIRECTORS

The Board of Directors of the Corporation has approved the contents and the sending of this Circular to the Shareholders of the Corporation.

April 13, 2006

Keith S. D'Souza
Vice President and Secretary

APPENDIX 'A'

CHARTER OF THE BOARD OF DIRECTORS

I. PURPOSE

The purpose of this charter (“**Charter**”) of the board of directors (the “**Board**”) of Timminco Limited (the “**Company**”) is to provide guidance to Board members as to their duties and responsibilities. The power and authority of the Board is subject to the provisions of applicable law.

The Board is responsible for the stewardship of the Company. This requires the Board to oversee the conduct of the business and affairs of the Company. The Board discharges some of its responsibilities directly and discharges others through committees of the Board. The Board is not responsible for the day-to-day management and operation of the Company’s business, as this responsibility has been delegated to management. The Board is, however, responsible for supervising the executive managers in carrying out this responsibility.

II. MEMBERSHIP

The Board consists of directors elected by the shareholders as provided for in the Company’s constituting documents and in accordance with applicable law. From time to time, the Corporate Governance and Nominating Committee shall review the size of the Board to ensure that its size facilitates effective decision-making by the Board in the fulfilment of its responsibilities.

Each member of the Board must act honestly and in good faith with a view to the best interests of the Company, and must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. A director is responsible for the matters under “Role and Responsibilities of the Board” below as well as for other duties as they arise in the director’s role.

All members of the Board shall have suitable experience and skills given the nature of the Company and its businesses and have a proven record of sound judgment. Directors are to possess characteristics and traits that reflect:

- high ethical standards and integrity in their personal and professional dealings;
- the ability to provide thoughtful and experienced counsel on a broad range of issues and to develop a depth of knowledge of the businesses of the Company in order to understand and assess the assumptions on which the Company’s strategic and business plans are based and to form an independent judgment with respect to the appropriateness and probability of achieving such plans;
- the ability to monitor and evaluate the financial performance of the Company;
- an appreciation of the value of Board and team performance over individual performance and a respect for others;
- an openness for the opinions of others and the willingness to listen, as well as the ability to communicate effectively and to raise tough questions in a manner that encourages open and frank discussion.

Directors are expected to commit the time and resources necessary to properly carry out their duties. Among other matters, directors are expected to adequately prepare for and attend all regularly scheduled

Board meetings. New directors are expected to understand fully the role of the Board, the role of the committees of the Board and the contribution individual directors are expected to make.

III. ETHICS

Members of the Board shall carry out their responsibilities objectively, honestly and in good faith with a view to the best interests of the Company. Directors of the Company are expected to conduct themselves according to the highest standards of personal and professional integrity. Directors are also expected to set the standard for Company-wide ethical conduct and ensure ethical behaviour and compliance with laws and regulations. If an actual or potential conflict of interest arises, a director shall promptly inform the Chair and shall refrain from voting or participating in discussion of the matter in respect of which he has an actual or potential conflict of interest. If it is determined that a significant conflict of interest exists and cannot be resolved, the director should resign.

Directors are expected to act in accordance with applicable law, the Company's Articles and the Company's Directors and Officers Code of Conduct and Ethics. The Board is required to monitor compliance with the Directors and Officers Code of Conduct and Ethics and is responsible for the granting of any waivers from compliance with the Code for directors and officers.

IV. MEETINGS

The Board shall meet in accordance with a schedule established each year by the Board, and at such other times as the Board may determine. Meeting agendas shall be developed in consultation with the Chair. Board members may propose agenda items through communication with the Chair. The Chair is responsible for ensuring that a suitably comprehensive information package is sent to each director in advance of each meeting. At the discretion of the Board, members of management and others may attend Board meetings, except for separate meetings of the non-management directors of the Board.

Directors are expected to be fully prepared for each Board meeting, which requires them, at a minimum, to have read the material provided to them prior to the meeting. At Board meetings, each director is expected to take an active role in discussion and decision-making. To facilitate this, the Chair is responsible for fostering an atmosphere conducive to open discussion and debate.

Non-management members of the Board shall have the opportunity to meet at appropriate times without management present at regularly scheduled meetings. The Chair shall be responsible for presiding over meetings of the non-management directors. Non-management Board members may propose agenda items for meetings of non-management Board members through communication with the Chair.

V. ROLE AND RESPONSIBILITIES OF THE BOARD

The Board is responsible for approving the Company's goals, objectives and strategies. The Board shall adopt a strategic planning process and approve and review, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the business. The Board is also responsible for identifying the principal risks of the Company's businesses and overseeing the implementation of appropriate risk assessment systems to manage these risks.

In addition to the other matters provided in this Charter, the Board is also responsible for the following specific matters:

- reviewing and approving management's strategic plans;
- reviewing and approving the Company's financial objectives, business plans and budgets, including capital allocations and expenditures;

- monitoring corporate performance against the strategic plans and business, operating and capital budgets;
- management succession planning, including appointing, training and monitoring senior management and, in particular, the Chief Executive Officer of the Company;
- providing that an appropriate portion of senior executive management's compensation is tied to both short-term and longer-term performance of the Company;
- monitoring the integrity of the Company's accounting and financial reporting systems, disclosure controls and procedures, internal controls and management information systems;
- approving all acquisitions and divestitures of business operations, strategic investments and alliances, major business development initiatives and any significant unbudgeted expenditure;
- the Company's communication policies, which:
 - (a) address how the Company interacts with analysts, investors, other key stakeholders and the public; and
 - (b) contain measures for the Company to comply with its continuous and timely disclosure obligations and to avoid selective disclosure and insider trading;
- developing the Company's principles and approach to corporate governance;
- assessing its own effectiveness in fulfilling its responsibilities, including monitoring the effectiveness of individual directors;
- monitoring compliance with the Directors and Officers Code of Conduct and Ethics.

A director has an important and positive role as a representative of the Company. A director is also expected to participate in outside activities that enhance the Company's image to investors, employees, customers and the public.

VI. ROLE AND RESPONSIBILITIES OF THE CHAIR

It is the view of the Board that there be a separation of the offices of the Chair and the Chief Executive Officer and that the Chair not be a member of management of the Company. The Chair and the Chief Executive Officer are to be in regular communications during the course of the year including with respect to the Company's business and the responsibilities of the Board.

The principal responsibilities of the Chair of the Board shall be to oversee, manage and assist the Board in fulfilling its duties and responsibilities as a Board in an effective manner independently of management. The Chair shall be responsible, among other things,

- to chair Board meetings and annual and special meetings of shareholders,
- to organize an appropriate annual work plan and regularly scheduled meetings for the Board,
- to participate in the preparation of the agenda for each Board meeting,
- to monitor the work of the committees of the Board and in that connection the Chair may attend, as a non-voting participant, all meetings of Board committees (other than those on which he otherwise sits),

- to arrange for an appropriate information package to be provided on a timely basis to each director in advance of the meeting,
- to assist in the Board's evaluation and self-assessment of its effectiveness and implementation of improvements,
- to provide appropriate guidance to individual Board members in discharging their duties,
- to ensure newly appointed directors receive an appropriate orientation and education program, and
- to provide arrangements for members of the Board to communicate with the Chair formally and informally concerning matters of interest to Board members.

VII. PROCEDURES TO ENSURE EFFECTIVE AND INDEPENDENT OPERATION

The Board recognizes the importance of having procedures in place to ensure the effective and independent operation of the Board. In addition to the policies and procedures provided elsewhere in this Charter including under "Role and Responsibilities of the Chair" set out above, the Board has adopted the following procedures:

- the Board has complete access to the Company's management;
- the Board requires timely and accurate reporting from management and shall regularly review the quality of management's reports;
- subject to the approval of the Nominating and Corporate Governance Committee, individual directors may engage an external adviser at the expense of the Company in appropriate circumstances;
- the Board shall ensure that every investor inquiry shall receive a prompt response from an appropriate officer of the Company;
- the Chair of the Board shall monitor the nature and timeliness of the information requested by and provided by management to the Board to determine if the Board can be more effective in identifying problems and opportunities for the Company; and
- given the recent separation of the responsibilities of the Chairman and Chief Executive Officer, the Board, together with the Chief Executive Officer, shall develop a detailed job description for the Chief Executive Officer. This description shall be approved by the Human Resources Committee. The Board shall assess the Chief Executive Officer against the objectives set out in this job description.

VIII. BOARD COMMITTEES

Subject to limits on delegation contained in corporate law applicable to the Company, the Board has the authority to establish and carry out its duties through committees and to appoint directors to be members of these committees. The Board assesses the matters to be delegated to committees of the Board and the constitution of such committees annually or more frequently, as circumstances require. From time to time the Board may create *ad hoc* committees to examine specific issues on behalf of the Board.

CODE OF CONDUCT AND ETHICS FOR DIRECTORS AND OFFICERS

I. PURPOSE

The purpose of the Code of Conduct and Ethics for Directors and Officers of the Corporation (the “**Code**”) (which for the purpose of this Code includes its subsidiaries) is to:

- endorse and promote the Corporation’s commitment to honest and ethical conduct, including fair dealing and ethical handling of conflicts of interest;
- promote full, fair, accurate, timely and understandable disclosure;
- promote compliance with applicable laws and governmental rules and regulations;
- ensure the protection of the Corporation’s legitimate business interests, including corporate opportunities, assets and confidential information;
- deter wrongdoing.

All directors and officers of the Corporation are expected to be familiar with the Code and to adhere to those principles and procedures set forth in the Code that apply to them.

For purposes of this Code, the “Code of Ethics Contact Person” will be, for the members of the Board of Directors (the “**Board**”), the Chair of the Board or the Chair of the Corporate Governance and Nominating Committee of the Board, and for the officers of the Corporation, the Vice-President and Secretary or the Chair of the Board.

II. HONEST AND CANDID CONDUCT

Each director and officer owes a duty to the Corporation to act with integrity. Integrity requires, among other things, being honest and candid. Deceit and subordination of principle are inconsistent with integrity.

Each director and officer must:

- act with integrity, including being honest and candid while still maintaining the confidentiality of information where it is required or where it is consistent with the Corporation’s policies.
- observe both the form and spirit of applicable laws and governmental rules and regulations, accounting standards and corporate policies.
- adhere to a high standard of business ethics.

III. CONFLICTS OF INTEREST

A “conflict of interest” occurs when an individual’s private or personal interest interferes, or may appear to interfere, with the interests of the Corporation. A conflict of interest can arise when a director or officer takes actions or has interests that may make it difficult to perform his or her work objectively and effectively. For example, a conflict of interest would arise if a director or officer, or member or his or her family, receives improper personal benefits as a result of his or her position in the Corporation. Any material transaction or relationship that could reasonably be expected to give rise to a conflict of interest should be discussed with the Code of Ethics Contact Person.

In considering a conflict of interest between a director and the Corporation, consideration shall be given to the Corporate Governance and Nominating Committee Charter approved by the Board.

Conflict of interest situations involving directors and officers may include the following:

- any material ownership or financial interest in any supplier of goods or services to the Corporation or in any major customer of the Corporation;
- any consulting or employment relationship with any major customer of the Corporation, supplier or competitor;
- any outside business activity that detracts from an individual's ability to devote appropriate time and attention to his or her responsibilities with the Corporation;
- the receipt of non-nominal gifts or excessive entertainment from any Corporation with which the Corporation has current or prospective business dealings;
- being in the position of supervising, reviewing or having any influence on the job evaluation, pay or benefit of any immediate family member.

Anything that would present a conflict of interest for a director or officer would likely also present a conflict if it is related to a member of his or her immediate family.

Conflicts of interest between a director or officer and the Corporation are to be disclosed to the Board, the Chief Executive Officer or a Code of Ethics Contact Person and reported to the Corporate Governance and Nominating Committee of the Board on a regular basis.

IV. DISCLOSURE

Each director or officer involved in the Corporation's disclosure process, including the Chief Executive Officer and the Chief Financial Officer, is required to be familiar with and comply with the Corporation's disclosure controls and procedures and internal control over financial reporting, to the extent relevant to his or her area of responsibility, so that the Corporation's public reports filed with securities commissions and regulatory authorities comply in all material respects with the applicable securities laws and rules. In addition, each such person having direct or supervisory authority regarding these regulatory filings or the Corporation's other public communications concerning its general business, results, financial condition and prospects should, to the extent appropriate within his or her area of responsibility, consult with other officers and employees of the Corporation and take other appropriate steps regarding these disclosures with the goal of making full, fair, accurate, timely and understandable disclosure.

Each director or officer who is involved in the Corporation's disclosure process, including the Chief Executive Officer and the Chief Financial Officer, must:

- familiarize himself or herself with the disclosure requirements applicable to the Corporation as well as the business and financial operations of the Corporation;
- not knowingly misrepresent, or cause others to misrepresent, facts about the Corporation to others, whether within or outside the Corporation, including to the Corporation's independent auditors, governmental regulators and self-regulatory organizations; and
- properly review and critically analyse proposed disclosure for accuracy and completeness (or, where appropriate, delegate this task to others).

V. COMPLIANCE

It is the Corporation's policy to comply with all applicable laws, rules and regulations. It is the personal responsibility of each officer and director to adhere to the standards and restrictions imposed by those laws, rules and regulations.

It is against the policy of the Corporation and in many circumstances illegal for a director or officer to profit from undisclosed information relating to the Corporation or any other company. A director or officer may not purchase or sell any of the Corporation's securities while in possession of material non-public information relating to the Corporation. Also, a director or officer may not purchase or sell securities of any other company while in possession of any material non-public information relating to that company.

Any director or officer who is uncertain about the legal rules involving a purchase or sale of, or other dealings in, any of the Corporation's securities or any securities in companies that he or she is familiar with by virtue of his or her work for the Corporation, should consult with the Vice-President and Secretary before making any such transaction.

Directors and officers are also to comply with the Corporation's policies relating to insider trading and blackout periods for insider trading.

VI. REPORTING, ACCOUNTABILITY AND WAIVERS

The Corporate Governance and Nominating Committee (the "**Committee**") is responsible for monitoring compliance with the Code and applying and interpreting the Code with regard to specific situations that are presented to it. Any director or officer who becomes aware of any existing or potential violation of the Code is required to notify the Code of Ethics Contact Person promptly. Failure to do so is a violation of the Code.

Any questions relating to how the Code should be interpreted or applied should be addressed to the Code of Ethics Contact Person. A director or officer who is unsure of whether a situation violates the Code should discuss the situation with the Code of Ethics Contact Person to prevent possible misunderstandings and embarrassment at a later date.

The Corporation will follow the following procedures in investigating and enforcing the Code, and in reporting on the Code:

- The Code of Ethics Contact Person will make a preliminary investigation, if it is appropriate, and will report all violations and potential violations to the Committee.
- The Committee will take all appropriate action to fully investigate any alleged violations reported to them.
- If the Committee determines that a violation has occurred, the Committee will inform the Board.
- Upon being notified that a violation has occurred, the Board will take such disciplinary or preventive action as it deems appropriate, up to and including dismissal or, in the event of criminal or other serious violations of law, notification of appropriate governmental authorities.

The Corporation may waive specific provisions of the Code in a particular situation. Any waiver of the Code for directors or officers of the Corporation may be made only by the Board or by the Committee and reported to the Board. Any waiver by the Corporation of a provision of the Code to a director or officer that relates to a material item shall be disclosed by the Corporation in accordance with applicable legal and regulatory requirements.

VII. CORPORATE OPPORTUNITIES

Directors and officers owe a duty to the Corporation to advance the Corporation's business interests when the opportunity to do so arises. Directors and officers are prohibited from taking (or directing to a third party) a business opportunity that is discovered through the use of corporate property, information or position, unless the Corporation has already been offered the opportunity and turned it down. More generally, directors and officers are prohibited from using corporate property, information or position for personal gain and from competing with the Corporation.

It may be difficult to draw the line between benefits that are personal and benefits that are related to the Corporation, and certain activities contain benefits that are both personal and related to the Corporation. Directors and officers who intend to make use of the Corporation's property or services in a manner not solely for the benefit of the Corporation should consult beforehand with the Code of Ethics Contact Person.

VIII. CONFIDENTIALITY

In carrying out the Corporation's business, directors and officers may learn confidential or proprietary information about the Corporation, its customers, suppliers, or joint venture parties. Directors and officers must maintain the confidentiality of all information so entrusted to them, except when disclosure is authorized or legally mandated. Confidential or proprietary information of the Corporation, and other companies, includes any non-public information that would be harmful to the relevant Corporation or useful or helpful to competitors if disclosed.

Confidential information shall not be used for personal gain.

IX. FAIR DEALING

The Corporation has a history of succeeding through honest business competition. The Corporation does not seek competitive advantages through illegal or unethical business practices. Each director and officer should endeavour to deal fairly with the Corporation's customers, service providers, suppliers, competitors and employees. No director or officer should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair dealing practice.

X. PROTECTION AND PROPER USE OF THE CORPORATION'S ASSETS

All directors and officers should protect the Corporation's assets and ensure their efficient use. The Corporation's assets should be used only for legitimate business purposes.