

## Polymetallic Gem Hidden In One Of Europe's Formerly Most Backward Nations?

By Dick Phelps  
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Albania, long allied with the Soviet Union and then China, suffered over 40 years under the Stalinist-type rule of Communist dictator Enver Hoxha. A direct consequence was an ongoing geologic 'dark ages' in the nation. Since the 1990s the nation has liberalized. Now, Canadian junior Tirez Resources Ltd. is poised to capitalise on decades without application of modern geologic theories or exploration. The company controls a large area believed to contain an entire mining district...or more. And, if things work out as expected, it's poised to see a production decision in a couple years—presumably after the current global financial crisis has receded. RI interviewed Tirez's CEO, Bryan Slusarchuk today to get an in-depth perspective.

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VANCOUVER ([ResourceInvestor.com](http://ResourceInvestor.com)) — While a single 'elephant' metal deposit may be found by a mining company, the existence of an entire potential, volcanogenic massive-sulphide (VMS) mining district that's largely untapped is remarkable—examples of VMS districts include: Flin Flon, Noranda, and Kuroko. The situation in Albania echoes a few years ago when the writer covered the claim staking rush in Peru—that exceeded all claims in that nation's history spanning the prior 400 years. In Peru it resulted from decades of state-ownership and consequent lack of application of modern exploration methods...not all that dissimilar to Albania's former geologic predicament.



Resource Investor interviewed [Tirez Resources'](http://TirezResources.com) (TXX & 3TI, 37.2 million shares outstanding, €0.43/share value on this 10 October's writing) CEO, Bryan Slusarchuk told *RI* this morning that, "despite current economic conditions, we're hearing that there are still individuals and institutions out there who want the explosive upside potential only offered by resource juniors. So we're very pleased

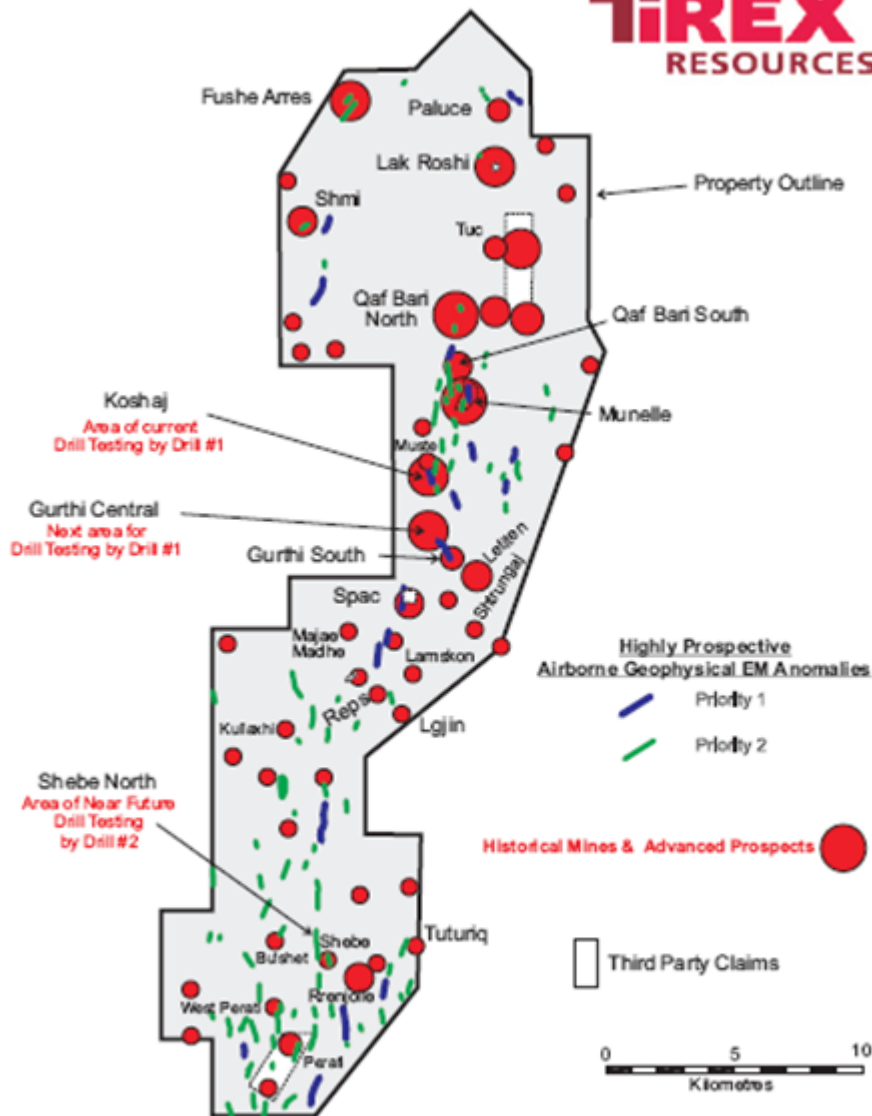
to get the news yesterday on the European Bank for Reconstruction and Development (EBRD) financing, which takes away much of both investors' credibility concern and financing risk. The bank's non-traditional mandate is to create employment in the formerly communist nations." He added that, "(EBRD) is comfortable looking out four to five years contrasted with commercial banks worrying about the next six months."

So, in the midst of today's global climate of economic desperation, it's remarkable to see a Canadian junior receiving institutional funding for its exploration programme. The finalisation of a €6-million convertible loan from the €20-billion-strong EBRD will see funds will be advanced to Tirez in three equal tranches. Equal, matching private-sector equity investments for the second and third tranches will bring the combined financing to a total of €10 million. At any time before loan maturity, EBRD can convert outstanding sums to company shares. The company says that this is the first financing by the EBRD in Albania's resource sector; the organization's lending in Albania amounts to some €400 million.

The writer, with prior direct mining-lending experience, can relate to the near-proctologic experience of the EBRD's very detailed due diligence. Slusarchuk said that negotiations with EBRD spanned some six months and included three site visits. And Slusarchuk indicated that the bank was impressed with the region's potential. Moreover, Tirez brings local knowledge to its efforts (see below).

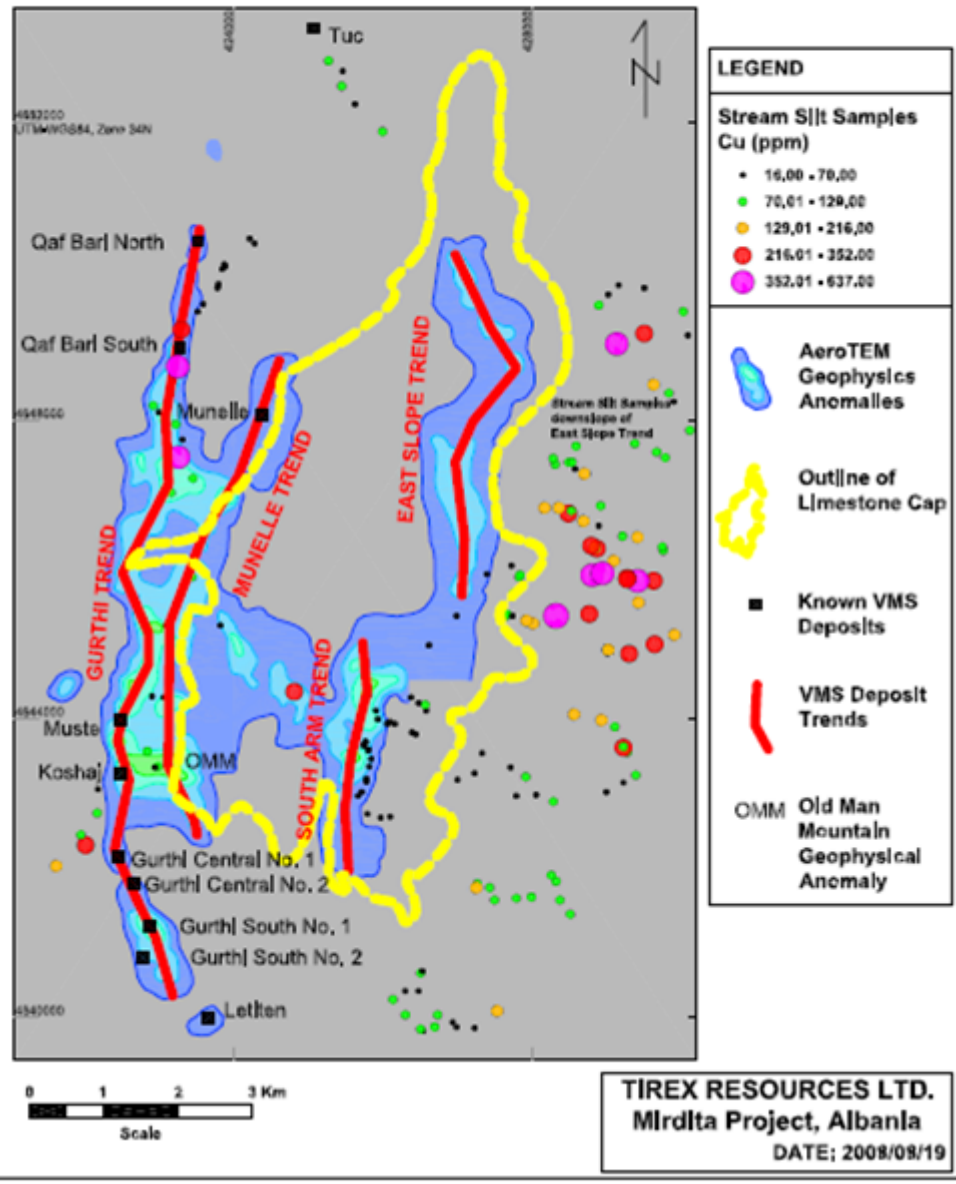
**Land position.** Being the first player in Albania, the company's land position is remarkable in its scope of some 344 sq. km.—an expansive size not likely to be offered to any other firms in the future. Now 5-10 sq. km. exploration concessions are likely for newcomers. Over the course of a year Tirez converts appropriate areas to exploration concessions. And a couple years beyond that point it will further refine its holdings—shedding areas of little potential—to mining concessions. The latter have 20 year tenor, with successive four to five year renewals possible.





**Mirdita VMS District, Albania**

**NEW EXPLORATION MAP BASED ON TIREX GENERATED DATA  
NORTH CENTRAL MIRDITA PROJECT AREA**



**Geology.** Historically, Albanian geologists had used Russian methods and drilling on surface showing. So, surprisingly, employing no modern methods, the dictator's geologists had found 17 deposits in the Mirdita VMS district, with nine brought into production. Anecdotally, Tirex geologists have picked up rocks from mine dumps (the last mine closed in 2000) grading up to 43% zinc, 18% copper, and 27 g/tonne of gold. Indeed, zinc recovery was not maximised so there are considerable values in the tailings. Slusarchuk said that, "We had very high gold numbers in our first nine drill holes. But remember that gold values were a 'state secret' and not disclosed (gold was used by the dictator to buy U.S. Treasury bills)." So he said that it was a pleasant surprise to see high gold and silver grades accompanying base metal values in its drill results. And the district has good infrastructure including water and power.

Overall exploration work is expected to span some 12-18 months. Tirex's first efforts are focused on the use of modern techniques reporting industry-standard results on the area comprising the Mirdita

district and its 17 deposits. The next stage will be “pure exploration,” beyond the Mirdita district. Historically, not even basic induced polarization (IP) surveys were used to target more intense exploration efforts. Tirex flew the first one ever in its work. And, with the absence of graphite occurrences and their false positives, only structural and sulphide anomalies are seen.

Slusarchuk told *RI* that he feels the firm is well positioned financially to forge ahead with exploration while other miners are moribund due to the current world financial situation. And Tirex has conducted several site visits for interested major mining companies, so there’s no lack of interest.

**Economic climate.** Dispelling the long held image of Albania being Europe’s most backward country, Slusarchuk said that the nation’s per-capita GDP was among the world’s fastest growing in 2007. Most importantly Slusarchuk says that the government is both very pro-U.S. and pro-business. It only levies a 10% corporate income tax. It should be a full member of NATO next year, and E.U. membership is a priority.

Additionally, reflecting the new openness and opportunities, major non-mining firms such as Oracle (software), Lockheed Martin (aerospace), Bechtel (construction) have recently opened offices in the nation.

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Complementing Tirex’s corporate technical team are Albanian professionals including:

**Professor Perparim Alikaj, Ph.D** who's both an Albanian and Canadian citizen and head of Geophysics Section, Dept. of Earth Sciences at Polytechnic University of Tirana. He’s also a private consulting geophysicist (mineral exploration, groundwater exploration and geological engineering). The professor is credited with inventing Real Section IP and Voltage Domain IP technologies. He holds a B.S. in geophysical engineering, an M.S. in geophysics; and a Ph.D in geophysics from the Polytechnic University of Tirana, and is a member of both the European Association of Geoscientists and Engineers, and the Canadian Exploration Geophysical Society.

**Erton Kaleshi** is a certified accountant (certified by the Ministry of Finance, Tirana, Albania) and holds a B.S. in finance and accounting from the University of Tirana, Albania. He’s served as the head of internal audit for the Financial Union of Tirana (representative of Western Union Services Inc. for Albania).



**Fig. 1 Polished rock sections**