

Local resource companies leading charge to exploit Balkan treasures

Vancouver mining companies at the forefront of exploration initiatives in Albania, once Europe's most isolated nation

By Joel McKay

Vancouver companies are spearheading a wave of exploration in Albania, where, for much of the last century, the Balkan nation was cut off from the rest of the world under a ruthless Stalinist leader.

But all that changed in the 1990s, said **Bryan Slusarchuk**, and the eastern European nation now welcomes resource investment.

"Albania has been a bit of a stabilizing force in the region ... it's a really staunchly pro-West country," said Slusarchuk,

CEO of **Tirex Resources** (TSX-V:TXX). "There's a **George Bush** boulevard in Albania."

Last month, Vancouver-based Tirex signed an agreement with Turkish trading company **Ekin Maden** to fast track development of its Mirdita copper-gold holdings.

Under the agreement, production would begin in six months.

That's incredibly quick for a company that's only been exploring in the region since 2007, Slusarchuk said, but Tirex's progress results primarily from its being one of the first explorers to enter the country.

"We're not trying to reinvent the wheel there; we're just bringing modern techniques ... into this country that was shut off from the rest of the world for 40 years."

Following the Second World War, Albania became an isolated, communist state under the rule of **Enver Hoxha**.

Hoxha died in 1985, and the country held its first democratic elections in the early 1990s.

Although Albania remains one of Europe's poorest countries, its economy has displayed signs of life.

According to the **World Bank**, Albania's GDP grew 6.5% in 2008 while foreign direct investment totalled \$972 million compared with \$325 million in 2005.

Thanks to half a century of isolation, the country contains a host of untouched mineral-rich deposits.

That helped Tirex secure the best deposits when it hit the ground in 2007.

The story is the same

"We can really see a bit of a rush happening"

- **Aly Mawji**,
president,
Golden Touch Resources

for **Bankers Petroleum** (TSX:BNK), a Calgary oil and gas company that was started in Vancouver.

Bankers holds a 25-year licence for the largest on-shore oilfield in continental Europe, which is in the middle of Albania.

"They've been privatizing most of their public industries over the last several years," said **Abby Badwi**, president and CEO of Bankers. "It's all heading toward a free-market economy."

The company has thus far invested more than \$400 million in the country.

Other Vancouver companies such as **Empire Mining** (TSX-V:EPC) and **Golden Touch Resources** (TSX-V:GOT) have also caught on.

"We were looking to enter into a country that was underdeveloped on the resource side, but developing in terms of the political side ... we can really see a bit of a rush happening," said Golden Touch president **Aly Mawji**.

Despite the fervour, Albania might still be a long way from becoming a world-class mining jurisdiction.

Most of the Canadian exploration firms there have early stage properties that are far from production, and ongoing disputes over contested parliamentary elections in Albania have hurt the country's efforts to join the **European Union**.

And even though Tirex hopes to be in production next fall, its deposits aren't 43-101 compliant, which is the benchmark regulatory regime used for Canadian mining companies.

That might not sit well with investors, but Slusarchuk remains confident in both Mirdita and Albania.

"We're not going to try and get caught up in establishing those resources at the neglect of going into production," Slusarchuk said, adding that the company will work toward regulatory compliance.

At press time, Tirex shares were valued at \$0.96. ■
jmckay@biv.com

TIREX RESOURCES LTD. (TSX-V:TXX)

Vancouver
CEO: Bryan Slusarchuk
Employees: N/A
Market cap: \$57.3m
P/E ratio: N/A
EPS: (\$0.07)

SOURCES: STOCKWATCH, TSX