

Tirex Resources signs mill deal for Mirdita property

ALBANIAN COPPER-GOLD PROJECT TO BEGIN PRODUCTION IN 3-6 MONTHS

by Peter Caulfield



Diamond drill core boxes in storage at the Tirex Resources Mirdita Copper-Gold Property in Albania. Photo courtesy Tirex Resources Ltd.

Tirex Resources Ltd. [TXX-TSXV], a Vancouver-based company which is developing the Mirdita volcanogenic massive sulphide copper-gold property in Albania, has signed a memorandum of understanding with Ekin Maden, a Turkish non-ferrous metals and minerals trading company, whereby the companies will establish a new 50:50 operating company – OpCo.

Ekin Maden's contribution to OpCo is mill capacity to process the ore from Mirdita, which is expected to begin production in the summer or fall of 2011. The Turkish company will also finance the capital and equipment required to begin production at the mine. Tirex will contribute six mineral deposits.

Tirex CEO Bryan Slusarchuk says the agreement with Ekin Maden fast-tracks Mirdita into production. In an announcement, he said, "The initial production profile of OpCo will include copper and gold, while the additional potential of zinc production will be immediately assessed by OpCo's technical team."

Tirex acquired the Mirdita property in 2006 and began work on it in 2007. The project covers an area of approximately

553 square kilometres. Existing infrastructure includes road access to the property and electric power and water supplies on or near the property. Mirdita consists of numerous old mines, mineral prospects and exploration targets. The project has 17 known deposits, of which nine are former producing mines.

Tirex is currently undertaking production assessment work at Fushe Arres, Tuc and Qaf Bari. Although it has not drilled these areas, the company says the deposits are of significant interest because of past historical work and the existence of underground mine workings.

According to resource estimates made by the Albanian Geological Survey in the 1970s, the deposits at Fushe Arres hold 1,115,600 tons of 1.04% copper; Qaf Bari, 445,700 tons of 2.07% copper; and Tuc, 2,072,000 tons of 1.537% copper.

Additional to the copper, Tirex says that Fushe Arres, Qaf Bari and Tuc are all prospective for gold, silver and zinc mineralization, although their extent is so far unknown. However, these historical resources are not compliant with NI 43-101 and should not be relied upon. Tirex is not treating the historical estimates as current mineral resources or reserves, but considers them important as a guide for future work in the district.

Tirex believes these deposits have room for significant expansion. It plans to test various deposit expansion opportunities by drilling favorable horizons from underground drill locations.

Tirex has also recently obtained assay results from six holes, ranging in depth from 176 to 215 metres, at the South Gurthi No. 2 deposit. The company had earlier drilled 13 holes there, and found several long intercepts of high-grade cop-

per, gold and silver. Three of the six holes were vertical and three were angled at -77 to -82 degrees to the east.

Slusarchuk says Tirex is in a unique position in Albania. "The company was able to acquire a potentially world-class mineral district at a time when companies in other countries are simply looking for good individual projects," he said.

The former communist country has had no large-scale, modern exploration until very recently. "For many years, Albania was shut off from the rest of the world," Slusarchuk said. "One of the results is that while the rest of the world was learning about VMS deposits and developing new exploration techniques, there was a lack of information on this geological model flowing into Albania."

In addition, the country's communist government decreed that exploration and mining at Mirdita could focus only on copper and was to be conducted only by Albanian state-run programs.

"Zinc was not mined, despite high grades," Slusarchuk said. "The reason was a lack of processing facilities and a narrow focus of exploration."

In addition to the current focus on fast tracking Tirex into copper and gold production, Tirex has been refining exploration targets in preparation for exploration drilling. The Qaf Bari South area will be the focus of exploration in 2011.

Tirex has a small office, in Vancouver, of full- and part-time employees, an office of six geologists and engineers in Tirana, from which it runs all technical operations, and a camp of 50 employees who are working on the drill program, mapping, ground geophysics and geochemical work.

Slusarchuk says there is no NI 43-101-compliant resource estimate yet for Mirdita. "However, based on the geological potential of the district, we were able to attract financing from the European Bank for Reconstruction and Development for exploration while we were able to fast track into production through the partnership with the private Turkish company based on their historical understanding of the district." ■