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CANADA VENTURE: Tirex Prods Albania Rock For Precious Ore

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VANCOUVER (Dow Jones)--When one goes on the hunt for copper, sometimes there's a pleasant surprise: silver and gold intersections getting in the way.

That's the way it's been for Tirex Resources Ltd. (TXX.V), one of the first junior exploration companies to receive funds from the European Bank for Reconstruction and Development (EBRD).

Tirex, an Albania-centric exploration company, received some C\$9 million by way of three tranches from the EBRD in October. The junior must match the last two EBRD tranches with matching equity investments from the commercial sector in the future. If successful, it gets to play with some C\$15 million.

The task at hand? Find stuff. Fast.

"They did multiple site visits and a year of due diligence before funding," said President and Chief Executive Bryan Slusarchuk. "As a first-mover in Albania, we have secured a district of properties with scale - the 344-square kilometer Mirdita district in a country that had been isolated for 40 years."

He said it isn't "often an opportunity to acquire a district comes along and Tirex is working to turn this good fortune into a significant win for both shareholders and for the people of Albania."

Phase Two Drilling Program Set To Begin

Phase one drilling started last year - about 13,000 meters. And the first airborne survey was flown in-country. Tirex found about 102 geophysical anomalies, he said.

Phase two drilling starts in a week or so. The goal? Build up the resource in the areas already drilled and expand drilling to the south and west, he said. About 10,000 meters of drilling are slated for 2009.

There are three drills on site and project managers have just flown over to get things rolling.

The EBRD - a EUR20 billion association of 61 governments - has funded Tirex by way of convertible debenture, so that money can eventually come back into its coffers and it becomes a partner in any project.

The financing was done on terms that were cheaper than what most seniors can borrow at today's rates, Slusarchuk said. "The EBRD wants to promote employment, infrastructure and in-country growth - and it was a coup for us to attract them to our project."

Tirex has a burn rate of some C\$400,000 a month, and Tirex will need more money in 12 to 18 months. The EBRD might extend further funds, but Slusarchuk hopes that by then assay results will have alerted the market to the potential of its Merdita project, paving the way for commercial financing.

"We're a pure exploration company and if we have success and show that the district is a world-class discovery, then a major might think it can't afford not to own the property," he said.

At the same time, the infrastructure - power, roads, a nearby port - is there. Corporate tax just went from 20% to a flat 10% and Albania plans to become a net exporter of power. On the weekend, NATO welcomed Albania and Croatia as full members.

And, as a valuable backstop, "Tirex has the EBRD as a major financial backer," he said.

Company Web Site: <http://www.tirexresources.com>

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