

8 August 2008

Tirex resources Ltd (TXX.V)

Price: C\$1.11

Mining Sector

Tirex is continuing the first modern exploration programme on its large Mirdita property in northern Albania. The company recently completed a first phase of delineation drilling into a historic deposit at Koshaj. Assays are yielding promising values of base and precious metals. It has also commenced drilling at Gurthi Central, potentially the most promising of the known deposits on Mirdita.

Our revised model yields a core valuation of C\$1.46 per share, higher than the C\$1.24 value contained in our November 2007 initiation note. Our revised estimate remains subject to significant risk given the early stage of exploration, but accompanied by substantial upside potential with more optimistic expectations of exploration success and continued development

KEY POINTS

- Drilling at Koshaj yields encouraging high-grade assays**

Tirex selected Koshaj as its first target and the company recently wrapped up its nine-hole, first phase of drilling. Assays revealed substantial intersections of mineralisation containing higher grades of zinc, as expected, accompanied by a significant copper content. These results support the company's geological model for Mirdita.

- Gold at Koshaj provided a pleasant surprise**

Unexpectedly, Tirex's assays from the Koshaj programme contained noteworthy values of gold and silver across the mineralised zone. The company now believes Mirdita has the potential to yield worthwhile amounts of precious metals beyond Koshaj. This expands the potential of the project significantly.

- Gurthi Central could be the key to the Mirdita project**

Tirex recently commenced drilling at Gurthi Central, which contains two known deposits. Copper was the primary target, but the company also expects to find zinc-rich zones, and possibly exploitable quantities of gold and silver. The two deposits at Gurthi Central could offer the substantial size potential and higher grades to meet its goal of discovering and developing a large, Noranda-style volcanogenic massive sulphide deposit.

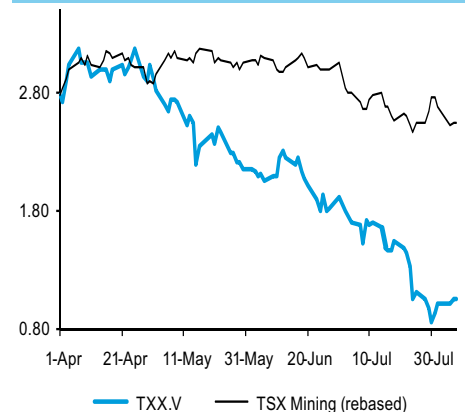
- A high degree of risk accompanies the considerable exploration potential**

Tirex is the first explorer to employ modern techniques at Mirdita and all of its deposits and targets remain at the earlier stages of exploration. The company has yet to define an NI 43-101-compliant mineral resource at any of its targets. Given its goal of discovering multiple large tonnage high-grade deposits at Mirdita, the company's exploration risk remains considerable. The possibility of finding lesser but nevertheless economic deposits on Mirdita partially mitigates the risk.

- An increased valuation based on promising early results**

Our revised model places a base-case value of C\$1.46 per share on Tirex. This is higher than our previous estimate of C\$1.24 of November 2007. Our more optimistic assessment of C\$2.52 per share, based on higher probabilities of exploration success, reflects the potential offered by further drilling on the key targets at Mirdita. Continued development offers potential for significant further increases.

Price chart (C\$)



Current fair value of equity

Expected Value C\$54.5m

Value per share C\$1.46

Derisked upside potential*

Our core scenario C\$4.23

Our optimistic scenario C\$6.83

*potential assuming projects reach permitting

Company details

Quote

Shares	
- TSX	TXX.V
- Frankfurt	3T1.F
- Pinksheets	TIRXF.PK

Hi-Lo last 12-mos. (C\$) 4.17 - 0.85

Shares issued (m) 37.2

Fully diluted (m) 41.3

Market Cap'n (C\$m) 41.3

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Fair value summary (C\$m)

Scenario	Base	Pessimistic	Optimistic
Property portfolio			
- Mirdita	62.6	19.1	106.0
Total	62.6	19.1	106.0
Less: overhead	6.1	6.1	6.1
Expected value of portfolio	56.5	13.1	100.0
Add: other investments	0.0	0.0	0.0
Add: starting cash + new funds	2.2	2.2	2.2
Total current value for firm	58.7	15.3	102.2
Less: bank & other debt	0.0	0.0	0.0
Total value to equity claims	58.7	15.3	102.2
Less: warrants and options	4.2	0.5	8.4
Ordinary equity holders	54.5	14.8	93.8
Value per share (C\$)	1.46	0.40	2.52

Expected fair value of Tirez Resources

Scenario	Risked mineable resources (m tonnes)	Mirdita property value (C\$m)	Tirez Valuation (C\$m)	Value per share (C\$)
Base case outlook	11.3	62.6	54.5	1.46
Value for scenarios of further exploration success				
Full proved up	84.4	909.6	818.1	21.97
Optimistic outlook	15.0	106.0	93.8	2.52
Pessimistic outlook	7.5	19.1	14.8	0.40

Value with no further exploration success

Current resource estimate	0.0	(14.6)	(18.5)	(0.50)
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Notes:

- 'fully proven up' scenario assumes that current mineable resource estimates are upgraded to 'Proven' status

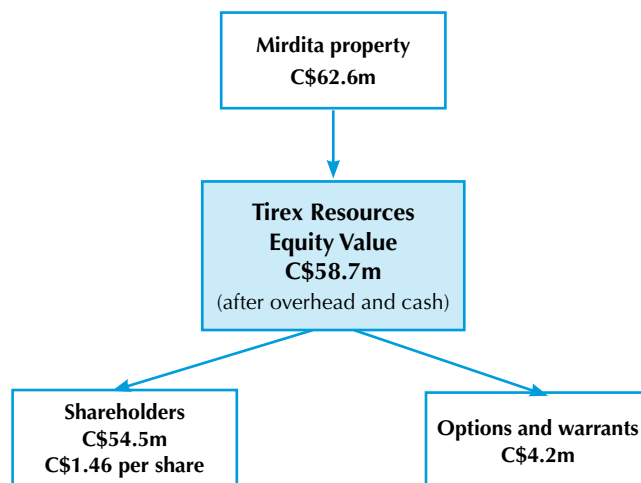
Sensitivities for assumptions on ...

Long run real copper price (US\$/lb)	1.25	1.50	1.75	2.00	2.25
Value (C\$/share)	1.18	1.32	1.46	1.60	1.74
Change in value (%)	-20%	-10%		+10%	+19%
Time for copper price to revert to mean (years)	6	7	8	9	10
Value (C\$/share)	1.40	1.43	1.46	1.49	1.52
Change in value (%)	-4%	-2%		+2%	+4%
Volatility of copper price (%)	15%	20%	25%	30%	35%
Value (C\$/share)	1.44	1.46	1.50	1.55	1.60
Change in value (%)	-2%		+2%	+6%	+10%
Interest rate (%)	4.8%	4.9%	5.0%	5.1%	5.2%
Value (C\$/share)	1.54	1.50	1.46	1.42	1.38
Change in value (%)	+6%	+3%		-3%	-5%
Sovereign risk premium (years)	0.00%	1.25%	2.50%	3.75%	5.00%
Value (C\$/share)	2.73	2.02	1.46	1.02	0.67
Change in value (%)	+87%	+38%		-30%	-54%

Sensitivity to operating assumptions ...

Recovery rate (%)	70%	75%	80%	85%	90%
Value (C\$/share)	0.82	1.14	1.46	1.78	2.10
Change in value (%)	-44%	-22%		+22%	+43%
Operating Costs (C\$ per tonne)	47.50	50.00	52.50	55.00	57.50
Value (C\$/share)	1.54	1.46	1.38	1.30	1.22
Change in value (%)	+6%		-6%	-11%	-17%
Increase in Capital Cost (%)	+0%	+10%	+20%	+30%	+40%
Value (C\$/share)	1.46	1.30	1.14	0.98	0.82
Change in value (%)		-11%	-22%	-33%	-44%

Components of Tirez's entity value



Mirdita valuation (C\$m)

Scenarios for exploration success	Base	Optimistic	Pessimistic
Net value of production	2,689.7	2,689.7	2,689.7
Expected level of mining success*	12%	16%	8%
Expected net value of production	322.8	430.3	215.2
Add: tax shield on depreciation charge	56.9	56.9	56.9
Less: development & operational capex	188.4	188.4	188.4
Value of mining operations	191.2	298.8	83.7
Probability of reaching mine development	40%	40%	40%
Expected value of deposit	77.2	120.7	33.8
Less:			
- expect pre-development costs**	3.9	3.9	3.9
- further exploration costs ***	10.7	10.7	10.7
Expected value of project	62.6	106.0	19.1
effective risk haircut	97%	95%	99%
Ownership	100%	100%	100%
Tirez's share	62.6	106.0	19.1

* mining success incorporates our assumptions on ultimate exploration success and the portion of resource expected to be mined

** shown as expected value of being incurred after allowing for likelihood of reaching each development stage

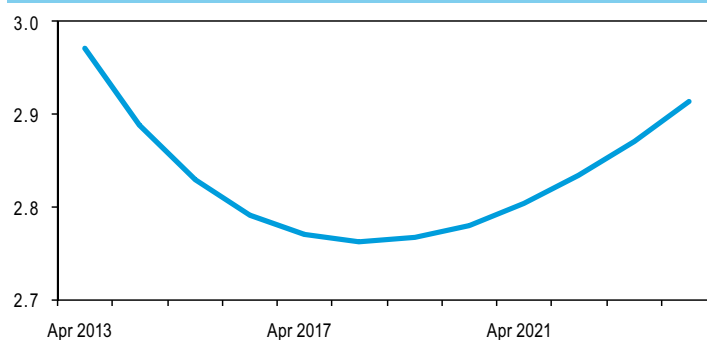
*** present value

Commodity assumptions

Copper price mean reverting

Long run level	1.75 US\$/lb
Avg time to revert	8 years
Volatility	20%
Inflationary price growth	2.5%

Expected copper price (US\$/lb)



Tirex commenced its aggressive exploration programme on the Mirdita project in 2007 with a comprehensive airborne electromagnetic geophysical survey – the first of its kind in the country. This work highlighted electromagnetic anomalies associated with several known deposits on the 34,400-hectare property and revealed other features of interest. The company chose the Koshaj deposit as a priority target for ground geophysics and subsequent drilling. The first phase of drilling at Koshaj produced promising results that support the company’s geological model for Mirdita. Further, Koshaj remains open for further expansion.

A nine-hole drill programme at Koshaj yielded higher-grade assays

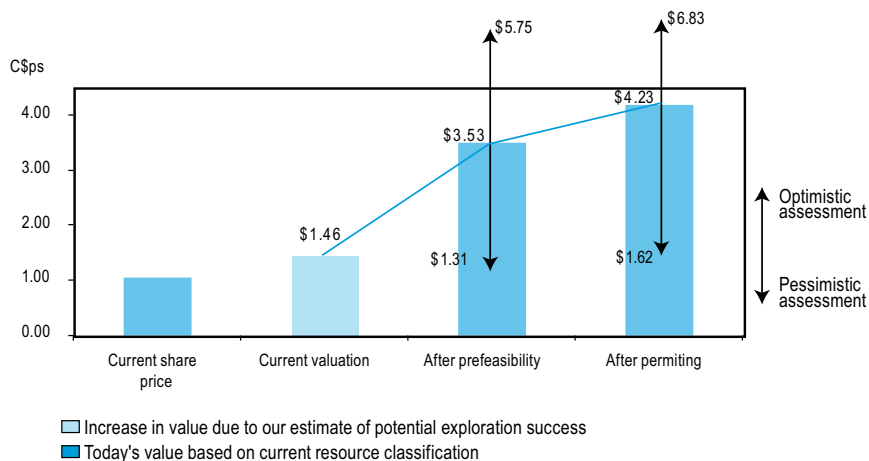
Tirex commenced its first phase of drilling on Mirdita last autumn. The company completed nine holes into a mineralised zone originally identified by the former communist government as a copper deposit. Tirex believes the Albanians regarded zinc and other metals as a nuisance, and either failed to assay for the metal, or disregarded the results in favour of copper.

Tirex produced significant intersections of base metals, primarily copper and zinc, in seven of its nine holes. Further, assays across these zones yielded noteworthy values for gold and silver. Tirex had not specifically been targeting precious metals in its programme and the assays came as a pleasant surprise.

Tirex’s first hole encountered mineralisation over an estimated true width of thirty metres, which averaged 0.6 percent copper, 9.0 percent zinc and 0.3 percent lead, with 48.4 grams of silver and 2.7 grams of gold per tonne.

Within this broad zone were two significant intervals with elevated metal values. An upper intercept with an estimated true width of six metres averaged 0.9 percent copper, 11.6 percent zinc and 1.0 percent lead, with 141.6 grams of silver and 5.5 grams of gold per tonne. A zone with an estimated true width of thirteen metres at the base of the mineralisation yielded 0.8 percent copper, 12.5 percent zinc, 0.1 percent lead, with 13.0 grams of silver and 2.2 grams of gold per tonne.

What Tirex could be worth - now and in the future



Source: Objective Capital

Tirex's second hole, fifteen metres east of the first test, yielded mineralisation over a true width of approximately 30 metres. Assays revealed 1.1 percent copper, 6.7 percent zinc, 0.1 percent lead, with 17.7 grams of silver and 1.6 grams of gold per tonne. An interval with a true width of eight metres near the base of the zone averaged 1.2 percent copper, 11.4 percent zinc, 0.1 percent lead, with 15.2 grams of silver and 2.0 grams of gold per tonne.

A third hole, forty metres east of the first test, yielded a zone with a true width of twelve metres. Assays averaged 0.5 percent copper, 4.4 percent zinc, 0.6 percent lead, with 44.5 grams of silver and 1.7 grams of gold per tonne.

A fourth hole, drilled 65 metres east of the first test, encountered mineralisation over an estimated true width of 35 metres. The zone averaged 0.23 percent copper, 3.18 percent zinc, 0.09 percent lead, with 13.9 grams of silver and 1.0 grams of gold per tonne. Higher values were noted in the deepest portion of the zone.

A fifth test, drilled at a steeper angle from the same site produced 1.0 percent copper and 5.2 percent zinc over an estimated true width of sixteen metres, with 11.0 grams of silver and 1.7 grams of gold per tonne.

Tirex drilled two other holes on a section twenty metres south of the section containing its first five holes. The sixth test yielded 0.6 percent copper, 3.43 percent zinc and 0.22 percent lead over an estimated true width of nineteen metres, with 20.2 grams of silver and 1.1 grams of gold per tonne. The seventh test averaged 0.29 percent copper, 1.70 percent zinc and 0.10 percent lead over 22 metres, with 10.1 percent silver and 0.6 percent gold.

Tirex drilled its final two holes along a section fifty metres north of its first section. These holes intersected wide zones of pyrite-silica alteration with low base metal values.

Tirex is preparing for a second phase of drilling at Koshaj

Koshaj remains the most advanced target of the seventeen known deposits on the Mirdita property. To date, we are encouraged by its high-grade intercepts, but the size potential of Koshaj remains uncertain, although open for further expansion.

The company is now assessing the data and will model the deposit in advance of planning for a second phase of drilling at Koshaj. This new programme will continue to define and expand the boundaries of the mineralisation.

Drilling is under way at a second, potentially large and high-grade area

Tirex recently began drilling on the Gurthi Central target, which consists of two known deposits, both with significant tonnage potential and both are open to possible expansion. The first hole targeted the volcanogenic massive sulphide horizon approximately 100 metres down-dip of an historic mine on the No. 1 deposit. The company intends to drill the full extent of the No. 1 and No. 2 deposits systematically.

Gurthi Central hosted the last producer on the Mirdita property. The mine extracted approximately 772,000 tonnes of copper-bearing rock, most if it coming from the No. 1 deposit. The mine closed because of low metal prices and political issues, not a lack of ore. In fact, the No. 2 deposit was in final preparations for mining when the decision to cease operations was made.

Tirex believes the Gurthi Central deposits will yield higher grades of copper, but as with Koshaj, it expects its drilling will yield noteworthy assays of zinc and possibly precious metals. Supporting this contention are historic data indicating that zinc-rich zones at Gurthi Central went unmined. The company assayed material from the mine dump and obtained high grades of copper, zinc, gold and silver.

Tirex's management believes Gurthi Central could host a significant Noranda-style volcanogenic massive sulphide deposit sufficient to support a large, standalone mine. Further, the deposit lies within three kilometres of Koshaj, suggesting the company could supply ore to a central mill from two or more nearby deposits, expanding the tonnage potential further.

A second drill is testing previously untested targets

Tirex acquired a second drill that will allow the company to test several of its new geophysical targets. The company identified 102 anomalies and it currently considers 22 of the features to be high-priority targets. The second drill experienced mechanical problems through much of the spring, but testing has now resumed.

Tirex recently added a third drill to its Mirdita programme. This rig will test a selection of known targets and new anomalies identified from the geophysical data.

Tirex capitalised on initial market interest by topping up its treasury early this year

Tirex completed its initial public offering at C\$0.50 per share in 2007, but was able to capitalize on the intense market interest in its Mirdita exploration programme by completing two private placements after the IPO. The first placement, of 1.09 million common shares priced at C\$2.75, closed in January, grossing C\$3.0-million. In June, Tirex completed a placement of 1.16 million shares at C\$2.10 per share and 780,000 shares priced at C\$2.125, for total proceeds of \$4,090,000. No warrants accompanied any of these private placements.

The Tirex treasury is currently strong, which is important given the overall weak equity market conditions for exploration companies. Tirex has approximately C\$2.0m in cash and it has a fully diluted working capital of C\$4.9m, assuming exercise of the existing options and warrants.

Tirex is budgeting C\$8m for its Mirdita exploration programmes over the coming year, much of it to cover its aggressive drill programmes. To cover the anticipated costs of its aggressive drill programmes, Tirex may complete further private placements later in 2008.

Effects on valuation

We have re-examined our valuation model, prepared in our initiation note published in November 2007. Our current model reflects several significant changes since then, including adjustments in the hypothetical metal target grades based on assays to date, fluctuations in metals prices, and the continued weakness in the US dollar. Our revised model also includes adjustments to our expected capital and operating costs, based on our hypothetical mine plan for a Noranda-style volcanogenic massive sulphide deposit.

The following details the key changes we have made to our November 2007 valuation model, which projected a core valuation of C\$1.24 per share.

The net effect of all changes is an estimated value of C\$1.46 per share. That is higher than our initiation valuation and although it continues to contain a high degree of exploration risk, we hold our estimate with gathering confidence given the results from drilling at Koshaj. We view the result as creditable given today's febrile market conditions.

Initial assays from Koshaj confirm the presence of copper, zinc and precious metals

We believe the initial assays from the first phase of drilling at Koshaj confirm Tirex's belief that significant quantities of zinc are present on the Mirdita project. Further, assays now show the potential for significant quantities of gold and silver. Early check samples from dump material at Gurthi Central suggests copper, zinc, gold and silver will be present there as well, and potentially at other sites.

Tirex's assays, obtained over an expanding area, add to our confidences in exploration success. These increasing confidences in turn provide a strong positive impact on our valuation.

Our hypothetical mine model incorporates data from the Koshaj assays

We continue to model Tirex's ultimate target at Mirdita as a large-tonnage, volcanogenic massive sulphide deposit of the Noranda style. We maintain the tonnage target of some 125 million tonnes as outlined in our initiation note, but have altered the target grades to 1.0 percent copper and 5.75 percent zinc. Our target grades previously were 2.0 percent copper and 7.0 percent zinc.

Although the lower base metals grades have a negative impact on our valuation, the presence of potential precious metals credits effectively cancels the effect. We now model a hypothetical mineralised target that includes 25 grams of silver and 1.75 grams of gold per tonne.

Strong precious metals prices counter declines in base metal values

The price of zinc has been in near steady decline since briefly topping US\$2 per pound in 2006. The price is now US\$0.86 per pound, some 38 percent below the US\$1.25 that prevailed at the time of our initiation note late in 2007. This has a sharp negative impact upon our valuation, but the robust price for copper provides partial compensation. Copper currently trades for US\$3.55 per pound, nearly ten percent higher than the US\$3.25 that prevailed late last year.

Precious metal prices are also robust, with gold currently fetching nearly US\$900 per ounce and silver trading for US\$16.35 per ounce. The net impact of the combined metals price changes is effectively neutral.

Our model continues to incorporate the weak US dollar, but with lower interest rates

The economic downturn in the United States continues, and the exchange rates for the US dollar in terms of Canadian currency and Euros show just modest changes since the publication of our initiation note in November 2007.

Interest rates have declined significantly over the past several months, and are having a modest positive influence on our valuation.

Our capital and operating cost projections move higher

Most mines and resource development projects continue to face strong inflationary pressures triggered by higher prices for oil, steel and other metals and by increased demand as resource companies fast-track projects. These influences in turn are pushing prices of major components, heavy equipment and labour sharply higher.

Nearly all mining and exploration companies faced huge increases in actual and projected capital and operating costs throughout 2006, 2007 and the first half of 2008, although there are indications these inflationary pressures may be easing due to the economic downturn.

Our earlier valuation incorporated most of the anticipated cost increases due to inflationary pressures. We prefer the added comfort of adopting estimates with a greater degree of conservatism, primarily as the result of the increased possibility that a Mirdita mine could operate with a central mill receiving ore from a number of nearby deposits.

We have therefore increased our capital cost estimate by fifteen percent, exclusive of exploration costs prior to feasibility. Our revised model uses operating cost estimates fifteen percent higher than our earlier estimate. These higher costs have a significant negative influence on our valuation, but they provide added support for the viability of the project.

The net result of these changes is a core valuation of C\$1.46 per share

Our base-case core valuation for Tirex Resources increases to C\$1.46 per share from the C\$1.24 calculated in our initiation note of November 2007. Our more optimistic scenario, which assumes greater probabilities of exploration success, results in a valuation of C\$2.52 per share.

These valuations would increase if Tirex achieves successful outcomes at prefeasibility and beyond. For instance, we calculate a base-case value of C\$4.23 upon successful completion of exploration, feasibility and permitting, and a value of C\$6.84 under our more optimistic scenario.

Risked mineable resource assumptions

Reserves		Probability	Tonnes (m)
Proven		90%	0.0
Probable		50%	0.0
Total		0%	0.0
Resources	Conversion	Probability	Tonnes (m)
Measured	—	90%	0.0
Indicated	—	50%	0.0
Inferred	—	10%	0.0
Hypothesised	75%	0%	125.0
Total	75%	0%	125.0
Mineable resource			Tonnes (m)
Mineable resource			93.8
Risked mineable resource			Tonnes (m)
Current classification			0.0
<i>Scenarios for exploration success</i>			
- base case			11.3
- optimistic case			15.0
- pessimistic case			7.5
Notes:			
- mineable resource have been estimated as reserves plus the portion of resources that would be expected to convert to reserves considering deposit type and likely grade variability			
- risked mineable resource refers to the various classes of resource/reserve weighted by their assumed confidence level			

Proforma Mirdita property profit and loss

Proforma P&L (C\$m)	Year ending April											
	'13	'14	'15	'16	'17	'18	'19	'20	'21	'22	'23	'24
Gross revenues	0.0	172.5	785.7	796.5	808.8	822.5	837.5	853.7	871.0	889.4	908.8	929.1
Operating costs	0.0	63.1	290.9	298.0	305.2	312.6	320.3	328.1	336.2	344.5	353.0	361.8
Operating profit	0.0	109.4	494.7	498.5	503.6	509.9	517.2	525.6	534.8	544.9	555.7	567.3
Depreciation	0.0	18.9	31.9	32.3	32.7	33.1	33.6	34.0	34.5	35.0	35.5	36.0
Other administrative costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	0.0	90.5	462.8	466.2	470.9	476.7	483.6	491.5	500.3	509.9	520.2	531.3
<i>Assumptions</i>												
Capital costs (C\$m)	105.6	216.4	3.8	17.4	17.8	18.3	18.7	19.2	19.7	20.2	20.7	21.2
Tonnes ore mined (millions)	0.0	1.0	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Copper (000 lb)	0	14,987	67,442	67,442	67,442	67,442	67,442	67,442	67,442	67,442	67,442	67,442
Zinc (000 lb)	0	86,176	387,794	387,794	387,794	387,794	387,794	387,794	387,794	387,794	387,794	387,794

Other assumptions

Recovery 80%; Pay rate 85%; NSR royalty 3%, part repurchasable

Source: Objective Capital

Tirex expects to remain focused on Mirdita for some time, but the large property offers the company excellent opportunities for “blue-sky” upside. The property contains at least seventeen known mineral deposits and the company’s geophysical data revealed over 100 new anomalies generally regarded as promising.

Opportunity to delineate substantial resources in existing deposits

Tirex intends to devote its one large drill rig to testing known mineral deposits on the Mirdita property. It will employ a second, smaller and more portable rig on a part-time basis to test known deposits. The current focus will be two deposits at Gurthi Central and a second phase of drilling at Koshaj, but several other targets are in line for testing.

Opportunity to discover new deposits

Tirex ranks 22 of its 102 new anomalies as having a very high priority. The company intends to use a smaller drill on a full-time basis, and the previously mentioned smaller drill on a part-time basis, to explore several of these untested geophysical anomalies in an aggressive fashion. We expect a significant portion of Tirex’s drilling budget will go toward testing the new targets.

Of particular interest at this stage, is the very significant anomaly some 600 metres to the east of, and parallel to, Koshaj. Further, the company has a series of targets near Gurthi South that yielded a very high-grade historical copper intersection in the mid-1990s. With significant geophysical work now complete, Tirex expects to generate many prospective new targets.

Opportunity to combine deposits into a larger mine

Several of Tirex’s deposits and anomalies occur in close proximity. This offers the opportunity for the company to construct a central mill at one key site, and deliver additional quantities of ore from several nearby deposits. This could offer economies of scale.

Opportunity to acquire new properties

Tirex is in the favourable position of being the first to develop a major presence in Albania, giving it first-mover status in this rich geological country. This could allow the company the opportunity to acquire new projects in the area, although with a current 34,400-hectare land package, seventeen known deposits and 102 geophysical anomalies to evaluate, Tirex does not anticipate the need for acquisition of any new licenses in the short term. We view new acquisitions as a longer-term opportunity.

Financials

Profit & Loss					
Year ending April (C\$m)	2007A	2008E	2009E	2010E	2011E
Revenues	—	—	—	—	—
COGS	—	—	—	—	—
Gross profits	—	—	—	—	—
Administrative Costs	(0.6)	(2.0)	(1.5)	(1.5)	(1.6)
EBITDA	(0.6)	(2.0)	(1.5)	(1.5)	(1.6)
Depreciation & amortisation	—	—	—	—	—
EBIT	(0.6)	(2.0)	(1.5)	(1.5)	(1.6)
Interest	—	0.0	0.0	0.0	0.0
EBT	(0.6)	(2.0)	(1.5)	(1.5)	(1.6)
Tax paid	—	—	0.5	0.5	0.5
Earnings	(0.6)	(2.0)	(1.0)	(1.0)	(1.1)
Dividends	—	—	—	—	—
Retained earnings	(0.6)	(2.0)	(1.0)	(1.0)	(1.1)

Cashflow					
Year ending April (C\$m)	2007A	2008E	2009E	2010E	2011E
EBIT	(0.6)	(2.0)	(1.5)	(1.5)	(1.6)
Depreciation	—	—	—	—	—
Stock-based Compensation	0.4	1.0	0.2	0.5	0.6
Gains & Writedowns	—	—	—	—	—
(Increase) decrease in receivables	(0.0)	(0.1)	—	—	—
(Increase) decrease in inventory	—	—	—	—	—
Increase (decrease) in payables	0.0	(0.0)	—	—	—
Net cash from Ops	(0.2)	(1.1)	(1.3)	(1.0)	(1.0)
Tax paid	—	—	0.5	0.5	0.5
Dividends	—	—	—	—	—
Net interest recieved (paid)	—	0.0	0.0	0.0	0.0
New equity	0.9	9.2	9.0	5.0	6.0
New (deposits) borrowings	—	—	—	—	—
Capital expenditure	(0.7)	(7.0)	(8.0)	(4.0)	(5.0)
Net cash from financing	0.3	2.2	1.5	1.5	1.5
Net increase (decrease) in cash	0.1	1.1	0.2	0.5	0.5

Balance sheet					
Year ending April (C\$m)	2007A	2008E	2009E	2010E	2011E
Fixed assets at NAV	1.4	8.4	16.4	20.4	25.4
Cash	0.1	0.2	0.3	0.2	0.1
Receivables	0.2	0.2	0.2	0.2	0.2
Inventory	0.0	0.0	0.0	0.0	0.0
<i>Less Payables</i>	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Net current assets	0.1	0.4	0.4	0.3	0.3
Less loans	—	—	—	—	—
Capital employed	1.5	8.7	16.7	20.7	25.6
<i>Represented by</i>					
Shares in issue	2.1	11.3	20.3	25.3	31.3
Add retained profit					
Prior periods	(0.5)	(0.6)	(2.5)	(3.5)	(4.6)
This period	(0.1)	(2.0)	(1.0)	(1.0)	(1.1)
Shareholders' funds	1.5	8.8	16.8	20.7	25.6

Source: Objective Capital

We are pleased to bring you this report on **Tirex Resources Ltd.**



Objective was founded so that issuers can ensure that the market and their investors always have access to quality research through sponsoring indepth, proactive coverage.

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As always, I welcome your comments and feedback on our research!

Gabriel Didham, CFA
Objective Capital

Will Purcell

Will has been involved in the resource sector for 30 years in a variety of roles. Since the late 1990s, he has been active in assessed mineral resource investment projects. Will has a B. Math degree from the University of Waterloo in Ontario.

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