



MALBEX RESOURCES INC.

Board Mandate

1. INTRODUCTION

The directors (the “Board”) of Malbex Resources Inc. (“Malbex”) are responsible for the stewardship of Malbex. The purpose of this mandate is to describe the principal duties and responsibilities of the Board as well as some of the policies and procedures the Board will adopt to assist it in discharging its duties and responsibilities.

2. ROLE AND RESPONSIBILITIES OF THE BOARD

The role of the Board is to represent the shareholders of Malbex, enhance and maximize shareholder value and conduct the business and affairs of Malbex ethically and in accordance with the highest standards of corporate governance. The Board is ultimately accountable and responsible for providing independent, effective leadership in supervising the management of the business and affairs of Malbex.

The responsibilities of the Board include:

- adopting a strategic planning process;
- risk identification and ensuring that procedures are in place for the management of those risks;
- review and approval of annual operating plans and budgets;
- corporate social responsibility, ethics and integrity;
- succession planning, including the appointment, training and supervision of management;
- delegations and general approval guidelines for management;

- monitoring financial reporting and management;
- corporate disclosure and communications;
- adopting measures for receiving feedback from stakeholders; and
- adopting key corporate policies designed to ensure that Malbex, its directors, officers and employees comply with all applicable laws, rules and regulations and conduct their business ethically and with honesty and integrity.

The Board will select one of its members to be appointed Chairman at the first Board meeting following the annual general meeting of shareholders of Malbex for such term as the Board may determine. The Board has a preference for an independent, non-executive Chairman of the Board. See appendix A for the position description of the Chairman

The Board will delegate responsibility for the day-to-day management of Malbex's business and affairs to Malbex's senior officers and will supervise such senior officers.

The Board may delegate certain matters it is responsible for to Board committees. The Board will, however, retain its oversight function and ultimate responsibility for these matters and all other delegated responsibilities.

3. STRATEGIC PLANNING PROCESS AND RISK MANAGEMENT

The Board will adopt a strategic planning process to establish objectives and goals for Malbex's business and will review, approve and modify as appropriate the strategies proposed by senior management to achieve such objectives and goals. The Board will review and approve, at least on an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of Malbex's business and affairs.

The Board, in conjunction with management, will identify the principal risks of Malbex's business and oversee management's implementation of appropriate systems to effectively monitor, manage and mitigate the impact of such risks.

4. CORPORATE SOCIAL RESPONSIBILITY, ETHICS AND INTEGRITY

The Board will provide leadership to Malbex in support of its commitment to Corporate Social Responsibility, set the ethical tone for Malbex and its management and foster ethical and responsible decision making by management. The Board will take all reasonable steps to satisfy itself of the integrity of the Chief Executive Officer and management and satisfy itself that the Chief Executive Officer and management create a culture of integrity throughout the organization.

5. SUCCESSION PLANNING, APPOINTMENT AND SUPERVISION OF MANAGEMENT

The Board will approve the succession plan for Malbex, including the selection, appointment, supervision and evaluation of the Chief Executive Officer and the other senior officers of Malbex, and will also approve the compensation of the Chief Executive Officer and the other senior officers of Malbex.

6. DELEGATIONS AND APPROVAL AUTHORITIES

The Board will delegate to the Chief Executive Officer and senior management authority over the day-to-day management of the business and affairs of Malbex. This delegation of authority will be subject to specified financial limits and any transactions or arrangements in excess of general authority guidelines will be reviewed by and subject to the prior approval of the Board.

7. MONITORING OF FINANCIAL REPORTING AND MANAGEMENT

The Board will approve all regulatory filings where it is required to do so under applicable laws, rules and regulations. Without limiting the generality of the foregoing, the Board will approve the annual audited financial statements, interim financial statements, the notes and management discussion and analysis accompanying such financial statements, quarterly and annual reports, management proxy circulars, annual information forms and prospectuses. The Board will also approve capital investments out of the ordinary course of business, equity financings, borrowings out of the ordinary course of business and all annual operating plans and budgets.

The Board will adopt procedures to ensure the integrity of internal controls and management information systems, to ensure compliance with all applicable laws, rules and regulations, and to prevent violations of applicable laws, rules and regulations relating to financial reporting and disclosure, and violation of Malbex's code of business conduct and ethics.

8. CORPORATE DISCLOSURE AND COMMUNICATIONS

The Board will ensure that all corporate disclosure complies with all applicable laws, rules and regulations and the rules and regulations of the stock exchanges upon which Malbex's securities are listed. In addition, the Board may adopt procedures for receiving feedback from stakeholders on material issues.

9. CORPORATE POLICIES

The Board will adopt and annually review policies and procedures designed to ensure that Malbex, its directors, officers and employees comply with all applicable laws, rules and regulations and conduct Malbex's business ethically and with honesty and integrity. Policies the Board may adopt include without limitation the following:

- Code of Business Conduct and Ethics
- Foreign Corrupt Practices Policy
- Whistleblower Policy
- Safety, Health and Environmental Policy
- Corporate Disclosure Policy
- Contract Approval and Authority Limits Policy

10. REVIEW OF MANDATE

The Corporate Governance and Compensation Committee will annually review and assess the adequacy of this Mandate and recommend any proposed changes to the Board for consideration.

Original Approval Date: December 3, 2009

Approved by: Corporate Governance and Compensation Committee

Board of Directors

APPENDIX A

MALBEX RESOURCES INC.

Position Description for Chairman

1. INTRODUCTION

The directors (the “Board”) of Malbex Resources Inc. (“Malbex”) have determined that, on the recommendation of the Corporate Governance and Compensation Committee, Malbex should adopt a formal position description for the Chairman of the Board of Malbex in accordance with the provisions of National Policy 58-201 – Corporate Governance Guidelines.

2. APPOINTMENT

The Board will select one of its members to be appointed Chairman at the first Board meeting following the annual meeting of shareholders of Malbex for such term as the Board may determine. The Board has a preference for an independent, non-executive Chairman of the Board.

3. DUTIES AND RESPONSIBILITIES

The Chairman will have the following specific duties and responsibilities:

Leadership and Governance

- Provide overall leadership to enhance the effectiveness and performance of the Board
- Assist the Board, Board Committees and the individual Directors in effectively understanding and discharging their respective duties and responsibilities
- Oversee all aspects of the Board and Board Committee functions to ensure compliance with Malbex’s corporate governance guidelines
- Act as an adviser and confidant to the Chief Executive Officer of Malbex

Corporate Social Responsibility

- Provide overall leadership in support of Malbex's commitment to corporate social responsibility
- Foster ethical and responsible decision making by the Board, Board Committees and individual directors of Malbex

Board Meetings

- Ensure the Board meets at least five times a year and otherwise as required
- Preside as the Chairman at all meetings of the Board
- Prepare the agenda for all meetings of the Board in consultation with the Chief Executive Officer, Corporate Secretary and the General Counsel (if any)
- Ensure that all matters required to be considered by the Board are brought to a meeting of the Board in a timely fashion
- Ensure that all items set out in the agenda are properly discussed, considered and resolved
- Ensure sufficient time is provided to discuss agenda items
- Create a cooperative atmosphere where directors are encouraged to openly discuss, debate and question matters requiring Board attention in a constructive and productive fashion
- Ensure that the independent directors of Malbex meet in separate *in camera* sessions at each Board meeting

Shareholder Meetings

- Ensure the shareholders of Malbex meet at least once a year and otherwise as required by applicable laws
- Preside as the Chairman at all meetings of the shareholders of Malbex
- Ensure that all items set out in the notice of meeting are properly discussed, considered and resolved

Board Committees

- Ensure the duties and responsibilities of the Board Committees are carried out in accordance with the Board Committee charters
- Assist the Board Committees in bringing their recommendations forward to the Board for consideration

Board – Management Relationship

- Ensure that the different duties, responsibilities and roles of the Board are clearly understood by both the Board and management and the boundaries between the Board and management are clearly understood
- Ensure the Board received appropriate and timely information, material and reports from management regarding Malbex's business and affairs in order to permit the Board to discharge its duties and responsibilities

Other Duties

- Carry out such other duties and responsibilities as the Board may request from time to time

Original Approval Date:

December 3, 2009

Approved by:

Corporate Governance and Compensation Committee

Board of Directors