



MALBEX RESOURCES INC.

Code of Business Conduct and Ethics

1. INTRODUCTION

The directors (the "Board") of Malbex Resources Inc. ("Malbex")¹ have determined that, on the recommendation of the Corporate Governance Committee, Malbex should formalize its commitment to promoting integrity and deterring wrongdoing in the conduct of its business and affairs in accordance with the highest ethical standards by enacting a code of business conduct and ethics.

2. GENERAL PRINCIPLES

Malbex is committed to conducting its business and affairs with honesty, integrity and in accordance with the highest ethical and legal standards.

This Code of Business Conduct and Ethics (the "Code") provides a set of ethical standards by which each director, officer, employee, consultant and contractor of Malbex will conduct their business, and for each officer and employee constitutes conditions of employment, and for each consultant and contractor constitutes conditions of providing services to Malbex. This code applies to all directors, officers, employees, consultants and contractors of Malbex and each such person agrees to be bound by the provisions of this Code upon notification of the most recent copy being given to them.

This Code is intended to give an overview of Malbex's expectations for its directors, officers, employees, consultants and contractors and is supplemented by any other applicable policies adopted by Malbex.

3. APPLICATION OF THIS CODE

This Code applies to all directors, officers, employees, consultants and contractors of Malbex.

¹ This Code applies to all of Malbex Resources Inc.'s subsidiaries. Accordingly, this Code will refer to Malbex and its subsidiaries as "Malbex".

4. COMMUNICATION OF THIS CODE

To ensure that all directors, officers, employees, consultants and contractors of Malbex are aware of this Code, a copy of this Code will be distributed to all directors, officers and employees, or alternatively, they will be advised that this Code is available on Malbex's website for their review. All directors, officers and employees will be informed whenever significant changes are made. New directors, officers and employees will be provided with a copy of this Code and will be educated about its importance.

5. COMPLIANCE WITH LAWS, CODE AND POLICIES

All directors, officers, employees, contractors and consultants, in discharging their duties, will comply with:

- the laws, rules and regulations of the location in which Malbex is performing business activities;
- this Code; and
- all corporate policies, which address many of the following expectations in more detail and including, without limitation, the following principal corporate policies:
 - Foreign Corrupt Practices Policy
 - Corporate Disclosure Policy
 - Insider Trading Policy

No one working for Malbex, regardless of his or her position, will ever commit an illegal or unethical act, or will instruct any officer, employee, contractor or consultant to do so and will provide annual certification to that effect in the form attached to this Code. Where uncertainty or ambiguity exists, competent legal advice must be obtained.

6. ANNUAL CERTIFICATION REGARDING COMPLIANCE

All directors, officers, employees, contractors and consultants will provide an annual certification to Malbex confirming compliance with all laws, rules and regulations of the location in which Malbex is performing business activities, as well as compliance with all applicable Malbex policies.

The Chief Executive Officer of Malbex will be responsible for ensuring that all annual certifications are obtained on or before the end of the first fiscal quarter of each year, and for providing confirmation to the Board that such certifications have been obtained and summarizing the results thereof.

7. STANDARDS OF GOOD PROFESSIONAL ETHICS

Malbex intends that its good reputation will be maintained and accordingly, all of Malbex's activities will be carried out ethically and with honesty and integrity, in the expectation that these activities will become a matter of public knowledge. Anything less is unacceptable and will be treated as a serious breach of duty.

8. PROTECTION AND PROPER USE OF ASSETS

All directors, officers, employees, consultants and contractors of Malbex will deal with Malbex's assets, including all data, information (confidential or otherwise), records, material, facilities and equipment, with the strictest integrity and with due regard to the interests of shareholders and all other stakeholders. Malbex's assets may not be used for personal gain or benefit. In addition, all directors, officers, employees and consultants must act in a manner to protect such assets from loss, damage, misuse, theft and waste and ensure that such assets are used only for legitimate business purposes.

9. GOOD AMBASSADORSHIP

All directors, officers, employees, contractors and consultants are ambassadors of Malbex in both their business and personal lives. While Malbex supports the freedom of the individual to pursue life in his or her own way outside of business hours, directors, officers, employees, contractors and consultants are encouraged to act in a manner which upholds their good reputation and that of Malbex.

All directors, officers, employees, contractors and consultants will represent Malbex in a professional manner at all times. Neither the reputation nor the image of Malbex will be jeopardized at any time. The behavior of all directors, officers, employees, contractors and consultants is seen to reflect that of Malbex, so all actions must reflect the policies of Malbex.

10. CONFLICT OF INTEREST

Directors, officers, employees, consultants and contractors of Malbex, in discharging their duties, will act honestly and in good faith with a view to the best interests of Malbex.

Directors, officers, employees, consultants and contractors will avoid situations involving a conflict, or potential conflict, between their personal, family or business interests, and the interests of Malbex, and, where such a conflict or potential conflict exists, will make appropriate disclosure of such conflict or potential conflict.

Directors, officers, employees, consultants and contractors will perform their duties and arrange their personal business affairs in a manner that does not interfere with their independent exercise of judgment. No one working for Malbex will accept financial compensation of any kind, nor any special discount, loan or favor, from persons, corporations or organizations having dealings or potential dealings with Malbex.

11. CORPORATE OPPORTUNITIES

Directors, officers and employees are prohibited from taking for themselves personally opportunities that arise through the use of corporate property, information or position and from using corporate property, information or position for personal gain. Directors, officers and employees are also prohibited from competing with Malbex directly or indirectly and owe a duty to Malbex to advance the legitimate interests of Malbex when the opportunity to do so arises.

12. GIFTS AND ENTERTAINMENT

Directors, officers, employees, consultants and contractors, and their families will not give nor accept gifts, gratuities or entertainment that has greater than a nominal monetary value.

13. HUMAN RIGHTS

All directors, officers and employees will adhere to Malbex's commitment to promoting respect for internationally recognized human rights as set forth in the United Nations Universal Declaration of Human Rights.

14. EQUAL OPPORTUNITY

Malbex is committed to providing a work environment that enables all employees to be recruited, and to pursue their careers, free from any form of unwarranted discrimination. Malbex will abide by applicable anti-discrimination laws.

In particular, Malbex will not discriminate on the basis of age, color, creed, disability, ethnic origin, gender, marital status, national origin, political belief, race, religion or sexual orientation, unless required for occupational reasons or legislation.

15. HARASSMENT

All employees have a right to work in an environment free from all forms of harassment. Harassment is defined as any unwanted conduct or comment that is intimidating, hostile or offensive in the work environment.

16. ALCOHOL AND DRUGS

Any misuse of alcohol or legal drugs (prescribed or un-prescribed), or the use of any illegal drugs, may jeopardize job safety and/or performance, and is prohibited in the Malbex workplace. No officer, employee, consultant or contractor will enter the workplace under the influence of alcohol or such drugs that may impair safety and/or performance.

17. REPORTING VIOLATIONS OF THE CODE – WHISTLEBLOWER POLICY

All directors, officers, contractors, consultants and employees will adhere to Malbex's commitment to conduct its business and affairs in a lawful and ethical manner. All directors, officers, employees, contractors and consultants are encouraged to talk to appropriate personnel within Malbex when in doubt about the best course of action in a particular situation and to report violations of laws, rules, regulations and Malbex's corporate policies. Malbex prohibits retaliatory action against any officer, employee, contractor or consultant who, in good faith, reports a possible violation. It is unacceptable to file a report knowing it to be false.

Malbex has adopted a Whistleblower Policy which provides procedures for reporting violations of laws, rules, regulations or Malbex's corporate policies. A copy of the Whistleblower Policy can be found on Malbex's website at www.malbex.ca.

18. CONSEQUENCES OF VIOLATION OF THE CODE

Failure to comply with the Code may result in various consequences, including, without limitation, internal disciplinary action or termination of employment or consulting arrangements without notice. If a violation of the Code also violates legislation, then Malbex may refer the matter to the appropriate regulatory and law enforcement authorities, which could lead to penalties, fines or imprisonment.

19. REVIEW OF CODE

The Board will review and evaluate this Code on an annual basis to determine whether this Code is effective in ensuring Malbex's business and affairs are conducted with honesty, integrity and in accordance with the highest ethical and legal standards.

20. QUERIES

If you have any questions about how this Code should be followed in a particular case, please contact the Chief Executive Officer.

21. WAIVERS OF THE CODE

Any waiver of this Code with respect to a director or officer of Malbex may be made only by the Board. Any such waiver will be promptly disclosed to the extent and in the manner required by applicable laws, rules or regulations or stock exchange rules and regulations.

22. PUBLICATION OF THE CODE

This Code will be posted on:

- Malbex's website at www.malbex.ca

Original Approval Date: December 3, 2009

Approved by: Corporate Governance and Compensation Committee
Board of Directors