MALBEX RESOURCES INC.

(An Exploration Stage Company)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2009

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim consolidated financial statements of Malbex Resources Inc. (An Exploration Stage Company) were prepared by management in accordance with Canadian generally accepted accounting principles. The most significant of these accounting principles have been set out in the December 31, 2008 audited consolidated financial statements. Only changes in accounting policies have been disclosed in these unaudited interim consolidated financial statements. Management acknowledges responsibility for the preparation and presentation of the unaudited interim consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the unaudited interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited interim consolidated financial statements and (ii) the unaudited interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited interim consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited interim consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. The Board of Directors meets with management to review the financial reporting process and the unaudited interim consolidated financial statements together with other financial information of the Company.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

MALBEX RESOURCES INC.
(An Exploration Stage Company)
INTERIM CONSOLIDATED BALANCE SHEETS
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

		March 31 2009		December 31 2008
ASSETS				
Current				
Cash	$	526,133	$	33,650
Sundry receivables		9,632		7,432
Prepaid expenses		18,797		12,310
		554,562		53,392
Equipment (Note 6)		49,694		-
Deferred mineral property expenditures (Note 5)		768,449		486,919
Mineral property acquisitions (Note 5)		66,573		66,573
Restricted cash (Note 5)		2,924,450		2,826,958
		3,809,166		3,380,450
	$	4,363,728	$	3,433,842
LIABILITIES				
Current				
Accounts payable and accrued liabilities	$	188,772	$	245,735
SHAREHOLDERS' EQUITY				
Capital stock (Note 7)		4,393,251		3,358,251
Shares to be issued (Note 7(b)(i))		25,000		-
Deficit		(243,295)		(170,144)
		4,174,956		3,188,107
	$	4,363,728	$	3,433,842

Nature of Operations and Going Concern (Note 1)
Subsequent Events (Note 10)

Approved on Behalf of the Board:

"Joseph Hamilton"
Director

"Frank Davis"
Director

The accompanying notes are an integral part of these unaudited interim consolidated financial statements

MALBEX RESOURCES INC.

(An Exploration Stage Company)
INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

	Three Months Ended March 31, 2009	Cumulative From Inception on April 24, 2008
EXPENSES		
Professional fees	$ 69,338	$ 483,301
Foreign exchange gain	(61,909)	(434,243)
Accounting and corporate services	6,232	50,065
General and administration	46,889	110,403
Guarantee fees	12,055	29,802
Consulting fees	-	4,805
Amortization	1,892	1,892
	74,497	246,025
Less: Interest income	(1,346)	(2,730)
NET LOSS AND COMPREHENSIVE LOSS	$ (73,151)	$ (243,295)
Basic and diluted loss per share	$ (0.002)	
Weighted average number of shares outstanding	48,754,995	

The accompanying notes are an integral part of these unaudited interim consolidated financial statements

MALBEX RESOURCES INC.
(An Exploration Stage Company)
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

	Share Capital	Accumulated Deficit	Total
Balance at incorporation	$ -	$ -	$ -
Issued on incorporation	1	-	1
Issued on subscription	1,790,750	-	1,790,750
Issued on exercise of subscription right	40,000	-	40,000
Shares subscribed on royalty conversion	315,000	-	315,000
Private placement	1,212,500	-	1,212,500
Net loss for the year	-	(170,144)	(170,144)
Balance, December 31, 2008	3,358,251	(170,144)	3,188,107
Private placement	1,035,000	-	1,035,000
Net loss for the period	-	(73,151)	(73,151)
Balance, March 31, 2009	**$ 4,393,251**	**$ (243,295)**	**$ 4,149,956**

The accompanying notes are an integral part of these unaudited interim consolidated financial statements

MALBEX RESOURCES INC.
(An Exploration Stage Company)
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

	Three Months Ended March 31, 2009	Cumulative From Inception on April 24, 2008
CASH (USED IN) PROVIDED BY:		
OPERATING ACTIVITIES		
Net loss for the period	$ (73,151)	$ (243,295)
Amortization	1,892	1,892
Unrealized foreign exchange gain	(61,909)	(434,243)
Net change in non-cash working capital:		
Sundry receivables	(2,200)	(9,632)
Prepaid expenses	(6,487)	(18,797)
Accounts payable and accrued liabilities	(56,963)	183,187
	(198,818)	(520,888)
INVESTING ACTIVITIES		
Shares purchased - Malbex San Juan	-	(4,000)
Mineral property acquisitions	-	(66,573)
Mineral property expenditures	(281,530)	(281,530)
Restricted cash	(97,492)	(2,924,450)
Acquisition of equipment	(51,586)	(51,586)
	(430,608)	(3,328,139)
FINANCING ACTIVITIES		
Issuance of common shares	1,035,000	4,288,251
Shares to be issued	25,000	25,000
	1,060,000	4,313,251
INCREASE IN CASH	430,574	464,224
Foreign exchange effect	61,909	61,909
CASH, BEGINNING OF PERIOD	33,650	-
CASH, END OF PERIOD	$ 526,133	$ 526,133

The accompanying notes are an integral part of these unaudited interim consolidated financial statements

MALBEX RESOURCES INC.

(An Exploration Stage Company)
INTERIM CONSOLIDATED STATEMENTS OF DEFERRED MINERAL PROPERTY EXPENDITURES
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

	Three Months Ended March 31, 2009	Cumulative From Inception on April 24, 2008
Malbex San Juan (Note 5)		
Balance, beginning of period	**$ 486,919**	$ -
Travel	**52,968**	215,293
Consulting fees	**6,750**	155,934
Geology	**39,054**	39,054
Environmental report	**-**	76,154
Exploration monthly payments	**28,579**	92,202
Non refundable exploration deposit	**(6,600)**	13,400
General and office expenses	**44,681**	60,314
Camp expenses	**45,939**	45,939
Lab expenses	**22,153**	22,153
Advances	**48,006**	48,006
	281,530	768,449
Total Deferred Mineral Property Expenditures	**$ 768,449**	$ 768,449

The accompanying notes are an integral part of these unaudited interim consolidated financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Malbex Resources Inc. (the "Company" or "Malbex") was incorporated on April 24, 2008. The Company is a precious metals exploration company with assets in San Juan, Argentina. As a result of the Company currently having only exploration options for properties, the Company is considered to be an exploration stage company, as defined by Accounting Guideline 11 of the Canadian Institute of Chartered Accountants' Handbook.

The Company has four wholly owned subsidiaries, Malbex Nominee Inc., Malbex Cooperatief U.A., Malbex B.V. and Malbex San Juan S.A.. Malbex San Juan S.A. is incorporated under the laws of Argentina and holds the interest in, and administers activity on, the Company's properties.

The Company is in the process of determining whether the mineral properties on which it holds exploration options contain mineral reserves that are economically recoverable. The recoverability of amounts shown for deferred exploration costs and acquisition costs is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete their development and future profitable production or proceeds from the disposition of the mineral properties.

These interim unaudited consolidated financial statements have been prepared on a going concern basis in accordance with Canadian generally accepted accounting principles which assumes that the Company will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. As at March 31, 2009, the Company has not earned operating revenues and has reported an accumulated deficit of $243,295 and has working capital of $365,790 at that date. In order to keep its claims in good standing, the Company is required to make monthly payments of $11,400. These circumstances may cast significant doubt as to the Company's ability to continue as a going concern and, accordingly, the use of accounting principles applicable to a going concern. The Company's ability to continue as a going concern is dependent upon its obtaining additional financing and, eventually achieving profitable production in the future. The Company is examining various financing alternatives to raise additional capital. Nevertheless, there can be no assurance that the Company's financing activities to date will be successful or sufficient.

The interim unaudited consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis were not appropriate for these consolidated financial statements, then adjustments would be necessary to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications, which could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

The unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and notes to the consolidated financial statements required by Canadian generally accepted accounting principles for annual consolidated financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 2009 may not necessarily be indicative of the results that may be expected for the year ending December 31, 2009.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The consolidated balance sheet as at December 31, 2008 has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by Canadian generally accepted accounting principles for complete consolidated financial statements. The unaudited interim consolidated financial statements have been prepared by management in accordance with the accounting policies described in the Company's annual audited consolidated financial statements for the year ended December 31, 2008, except as noted below. For further information, refer to the audited consolidated financial statements and notes thereto included in the Company's annual consolidated financial statements for the year ended December 31, 2008.

Goodwill and Intangible Assets

Effective January 1, 2009, the Company adopted Section 3064, “Goodwill and Intangible Assets” which replaced the existing Canadian Institute of Chartered Accountants ("CICA") Handbook Sections 3062, “Goodwill and Other Intangible Assets” and 3450 “Research and Development Costs”. This standard is effective for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008 with earlier application encouraged. The standard provides guidance on the recognition, measurement and disclosure requirements for goodwill and intangible assets. The adoption of this standard had no impact on the Company’s presentation of its financial position or results of operations as at March 31, 2009.

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2009, the CICA approved EIC 173 Credit Risk and the Fair Value of Financial Assets and Financial Liabilities. This guidance clarified that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities including derivative instruments. This guidance is applicable to fiscal periods ending on or after January 20, 2009. The adoption of this standard had no impact on the Company’s presentation of its financial position or results of operations as at March 31, 2009.

Mining Exploration Costs

On March 27, 2009, the Emerging Issues Committee of the CICA approved an abstract EIC-174, Mining Exploration Costs, which provides guidance on capitalization of exploration costs related to mining properties in particular, and on impairment of long-lived assets in general. The adoption of this abstract had no impact on the Company’s presentation of its financial position or results of operations as at March 31, 2009.

Future Accounting Changes

International Financial Reporting Standards (“IFRS”)

In January 2006, the CICA’s Accounting Standards Board ("AcSB") formally adopted the strategy of replacing Canadian GAAP with IFRS for Canadian enterprises with public accountability. The current conversion timetable calls for financial reporting under IFRS for accounting periods commencing on or after January 1, 2011. On February 13, 2008 the AcSB confirmed that the use of IFRS will be required in 2011 for publicly accountable profit-oriented enterprises. For these entities, IFRS will be required for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Company is currently assessing the impact of IFRS on its financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Future Accounting Changes (continued)

<u>Business Combinations, Consolidated Financial Statements and Non-Controlling Interests</u>

The CICA issued three new accounting standards in January 2009: Section 1582, Business Combinations, Section 1601, Consolidated Financial Statements and Section 1602, Non-Controlling interests. These new standards will be effective for fiscal years beginning on or after January 1, 2011. The Company is in the process of evaluating the requirements of the new standards.

Sections 1582 replaces section 1581 and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to IFRS 3R - Business Combinations. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Sections 1601 and 1602 together replace section 1600, Consolidated Financial Statements. Section 1601, establishes standards for the preparation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS 27R - Consolidated and Separate Financial Statements and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

3. CAPITAL MANAGEMENT

The Company considers its capital structure to consist of share capital and accumulated deficit, which at March 31, 2009 totaled $4,174,956. When managing capital, the Company’s objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of its mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business.

The properties in which the Company currently has exploration options are in the exploration stage. As such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration program and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts when economic conditions permit it to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate. The Company is not subject to externally imposed capital requirements.

4. FINANCIAL RISK FACTORS

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk including interest rate, foreign exchange rate, and commodity and equity price risk.

Risk management is carried out by the Company's management team with guidance from the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and sundry receivables. Cash is held with reputable Canadian, Argentinian and European chartered banks which are closely monitored by management. Financial instruments included in sundry receivables consist of a sales tax receivable from government authorities in Canada.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2009, the Company had a cash balance of $526,133 to settle current liabilities of $188,772. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company is seeking additional capital to improve its liquidity position.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity prices.

i) Interest Rate Risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in interest bearing accounts of major Canadian chartered banks. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its financial institutions.

ii) Foreign Currency Risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company funds certain operations, exploration and administrative expenses in Argentina on a cash call basis from the manager of the Argentina projects using United States and Argentina currencies. Management believes the foreign exchange risk derived from currency conversions is low and therefore does not hedge its foreign exchange risk.

iii) Commodity Price Risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices as it relates to precious metals, and the stock market to determine the appropriate course of action to be taken by the Company.

4. FINANCIAL RISK FACTORS (CONTINUED)

Fair Value

The Company has designated its cash as held-for-trading, which are measured at fair value. Sundry receivables are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

As at March 31, 2009, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent.

Sensitivity Analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible":

i) Interest rate risk is remote as the Company does not hold any short term investments to give rise to exposure to interest risk.

ii) The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities that are dominated in U.S. Dollar, Argentinian pesos and European Euro. Sensitivity to a plus or minus 10% change in the foreign exchange rates would affect net loss and comprehensive loss by approximately $32,200 with all other variables held constant.

iii) Commodity price risk could adversely affect the Company. In particular, the Company’s future profitability and viability of development depends upon the world market price of gold. Gold prices have fluctuated widely in recent years. There is no assurance that, even as commercial quantities of gold or silver may be produced in the future, a profitable market will exist for them. A decline in the market price of gold or silver may also require the Company to reduce its mineral resources, which could have a material and adverse effect on the Company’s value.

(EXPRESSED IN CANADIAN DOLLARS)

5. DEFERRED MINERAL PROPERTY EXPENDITURES AND MINING PROPERTY ACQUISITION COSTS

On August 14, 2008, the Company entered into three mining agreements ("Agreements") with exploitation options with the Provincial Institute of Mining and Exploration of the Province of San Juan, Argentina ("IPEEM") for the mining areas called "Del Carmen", "Los Despoblados" and "Arroyo de los Amarillos", located in San Juan province, Argentina.

Under the terms of the Agreements, IPEEM granted the Company the exclusive right to carry out during the term of the Agreements mining prospecting and exploration activities in these mining areas with the options to undertake exploitation and trading activities of first category ores and minerals located in the said mining areas. The option to exploit carries an initial term of 30 years with an option to renew for the life-span of the mine.

Pursuant to the Agreements, the Company is required to:

- make a total investment of USD $45,000,000 on the three mining areas over a five year period in accordance with the investment plan, with the first year of such five year period expiring on March 12, 2010. The minimum investment may be increased, at the Company's option if the progress of exploratory work should so require.
- pay upon the execution of the Agreements and in consideration for the rights the amount of USD $20,000 for each of the three mining areas (USD $60,000 in total - paid).
- pay on a monthly basis the amount of USD $11,400 for the three mining areas.
- deliver to IPEEM a contractual guarantee of USD $2,250,000 for the commitment of the Company in respect of the three mining areas, which is held in an account at an international insurance company as restricted cash as security for the contractual guarantee given to IPEEM by the international insurance company.

6. EQUIPMENT

March 31, 2009	Cost	Accumulated Amortization	Net Book Value
Office equipment	$ 3,452	$ 86	$ 3,366
Computer equipment	5,254	197	5,057
Truck	42,880	1,609	41,271
	$ 51,586	$ 1,892	$ 49,694

December 31, 2008	Cost	Accumulated Amortization	Net Book Value
Office equipment	$ -	$ -	$ -
Computer equipment	-	-	-
Truck	-	-	-
	$ -	$ -	$ -

(EXPRESSED IN CANADIAN DOLLARS)

7. CAPITAL STOCK

(a) AUTHORIZED - Unlimited number of common shares

(b) ISSUED

	SHARES	AMOUNT
Balance - December 31, 2008	42,199,996	$ 3,358,251
Shares issued on private placement (i)	10,350,000	1,035,000
Balance - March 31, 2009	**52,549,996**	**$ 4,393,251**

(i) On February 2, 2009, the Company completed a private placement of 10,350,000 common shares at a price of $0.10 per common share for total proceeds of $1,035,000. An additional 250,000 common shares were issued in April 2009 for cash consideration of $25,000, which has been reflected as shares to be issued in these financial statements.

8. STOCK OPTIONS

The Company has adopted an incentive stock option plan (the "Option Plan") which provides that the directors of the Company may from time to time, in their discretion, grant to directors, officers, employees and technical consultants to the Company non transferable options to purchase common shares, provided that the number of common shares reserved for issue will not exceed 10% of the number of then outstanding common shares. Such options will be exercisable for a period of up to five years from the date of grant. Vesting terms will be determined at the time of grant by the directors.

9. RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2009, the Company incurred legal fees of $10,417 and reimbursement of expenses of $1,337 to a law firm of which a shareholder and director of the Company is a partner. As at March 31, 2009, included in accounts payable and accrued liabilities was $1,062 in respect of these transactions.

During the three months ended March 31, 2009, the Company incurred legal fees of $24,482 for Malbex San Juan S.A. and reimbursement of expenses of $9,944 to a law firm of which a director of a subsidiary of the Company is a partner. As at March 31, 2009, included in accounts payable and accrued liabilities was $10,116 in respect of these transactions.

10. SUBSEQUENT EVENTS

a) The Company issued a $150,000 non-interest bearing convertible note to a director of the Company on May 5, 2009. The convertible note was repaid in full on July 8, 2009.

b) On June 30, 2009, the Company completed a private placement of 21,275,000 subscription receipts at a price of $0.50 for gross proceeds of $10,637,500.