



## **Malbex Intersects 142 m Grading 0.88 g/t Au and 13.7 g/t Ag; Hole Ends in Mineralization**

May 31, 2010 – Malbex Resources Inc. (TSX-V:MBG) today announced results from six drill holes within the Del Carmen Norte alteration area of the Company's Del Carmen gold-silver project in San Juan province, Argentina. Two of the holes (DDHC-10-031 and -032) reported today expand the broad zone of silicification and Au-Ag mineralization encountered previously at the Rojo Grande target. The final hole of the drill program (DDHC-10-032) yielded consistent mineralization over 142.15 metres (m) that averages 0.88 gram per tonne (g/t) gold (Au) and 13.7 g/t silver (Ag). This hole ended at 164.15 m in strong mineralization with the final 9.15 m grading 1.94 g/t Au and 13.7 g/t Ag; the hole was terminated early because of mechanical problems with the drilling rig and the onset of winter weather. Hole DDHC-10-032 represents the longest, most consistent intercept of mineralisation encountered to date at Del Carmen Norte. The other holes reported today (DDHC-10-027 to -030) targeted outcropping mineralization about 1.0 kilometre (km) to the southeast of Rojo Grande. With today's announcement, Malbex has now reported all results from the recently completed 32 hole diamond drill program at Del Carmen Norte.

The Rojo Grande target consists of iron oxide-stained vuggy silica and silicification on the north side of the massif that forms the core area of the Del Carmen Norte hydrothermal alteration system where previous drilling intersected 124 m grading 0.57 g/t Au and 8.8 g/t Ag (PR of April 19, 2010, Figure 1). Gold grades greater than 0.1 g/t Au were encountered in silicification and quartz-alunite alteration in DDHC-10-032 from near surface and the hole ended in strong mineralization. Hole DDHC-10-031 passed through 38 m of silicification grading 0.88 g/t Au before entering argillic alteration and low gold values below 50 m. Significant intercepts from the holes reported today at Rojo Grande are:

- **DDHC-10-032:** 142.15 m grading 0.88 g/t Au and 13.7 g/t Ag (1.11 g/t Au-EQ), including 40.15 m grading 1.45 g/t Au and 19.6 g/t Ag (1.78 g/t Au-EQ)
- **DDHC-10-031:** 38 m grading 0.88 g/t Au and 12.2 g/t Ag (1.09 g/t Au-EQ)

Four holes tested beneath silicified outcrops on the south side of the Del Carmen Norte massif, along the north flank of Quebrada Pedregosa and northeast of the Naciente Quebrada Pedregosa target (Figure 1). Holes DDHC-10-027 and -28 form a two-hole fan drilled to the northwest (330° azimuth, -45° and -60° dips, respectively) and both holes intersected silicification and low grade mineralization, including:

- **DDHC-10-027:** 28 m grading 1.53 g/t Au and 0.7 g/t Ag
- **DDHC-10-028:** 10 m grading 0.32 g/t Au and 0.3 g/t Ag

Holes DDHC-10-029 and -30 were collared 360 m and 220 m to the southwest and northeast, respectively of holes DDHC-10-027 and -28 (Figure 1). No significant results were obtained.

Click the following links to view [maps and sections](#) and a complete [assay table](#) showing all drill results to date from Del Carmen Norte. The documents may also be accessed at [www.malbex.ca/Projects/Del\\_Carmen](http://www.malbex.ca/Projects/Del_Carmen).

### **Del Carmen Norte Drill Results**

Rojo Grande consists of a series of prominent reddish weathering silicified outcrops on the northern flank of the massif of high sulphidation hydrothermal alteration. The outcrops are interpreted to be part of a sub-horizontal sheet formed by the preferential silicification of one or more volcanic breccias within the volcanic stratigraphy. Northeast-striking zones of hydrothermal breccias cemented by chalcedony and very fine-grained quartz cut the pre-existing silicification. Selective surface sampling of the cross-cutting hydrothermal breccias yielded chip samples of up to 10 g/t Au. Near-surface silicified rocks with fine-grained hematite and jarosite veinlets in previously reported DDHC-10-17 contain 41 m grading 1.18 g/t Au and 31.2 g/t Ag (PR of April 19, 2010). Previously reported hole DDHC-10-020 intersected mainly moderate to strong silicification in volcanic and hydrothermal breccias which average 0.57 g/t Au over the upper 124.5 m (Figures 2,3).

Hole DDHC-10-031 was drilled at azimuth 165° to test the grade and continuity of mineralization in the Rojo Grande sheet and the faulted southern margin of silicification inferred from surface mapping. While the reported interval (38 m grading 1.09 g/t gold-equivalent (Au-EQ)) was calculated using 0.1 g/t Au as the lower cutoff, a similar interval (35 m grading 1.15 g/t Au-EQ) is obtained using 0.5 g/t Au lower cutoff. The abrupt decrease in silicification and gold mineralization to the south appears to correspond with a change in alteration style and little evidence for faulting is observed in the core (Figure 3). Hole DDHC-10-032 was drilled toward 300° from the same platform as holes DDHC-10-031 and -020. This hole intersected 142 m of silicification and quartz-alunite alteration that averages 1.11 g/t Au-EQ. This interval includes upper and lower subintervals of 34 m grading 1.50 g/t Au-EQ and 40.15 m grading 1.78 g/t Au-EQ, respectively (Figure 4). The hole ended in the lower mineralized interval due to the combination of mechanical problems and the onset of Andean winter.

The hydrothermal alteration zonation is anomalously complex in the Quebrada Pedregosa target area (Figure 5). Holes DDHC-10-027 to -030 were drilled toward the northwest (azimuths from 285° to 330°) to test beneath variably northeast-striking silicified structures and quartz veins. There are multiple intervals in DDHC-10-027 with greater than 0.5 g/t Au-EQ including 8 m grading 3.87 g/t Au-EQ and 3 m grading 3.24 g/t Au-EQ. The style, width and grades of mineralization in DDHC-10-027 are similar to those reported previously from the Naciente Quebrada Pedregosa target almost 700 m to the southwest (DDHC-10-023 with 49 m grading 1.11 g/t Au and 0.15 g/t Ag and 21 m grading 1.69 g/t Au and 0.11 g/t Ag, PR of April 19, 2010; DDHC-10-024 with 22 m grading 2.75 g/t Au and 0.29 g/t Ag and 12 m grading 2.01 g/t Au and 0.12 g/t Ag, PR of May 27, 2010).

The weaker mineralization in the underlying hole DDHC-10-028 (10m grading 0.32 g/t Au-EQ) suggests the mineralized structures are not steep or have limited vertical continuity (Figure 6). Holes DDHC-10-029 and -030 did not intersect any significant gold mineralization.

Significant mineralized intercepts from the Rojo Grande and Quebrada Pedregosa targets are tabulated below.

target	hole ID	from (m)	to (m)	length (m)	Au (g/t)	Ag (g/t)	Au-EQ (g/t)
Rojo Grande	<b>DDHC-10-031</b>	12	50	38	0.88	12.2	<b>1.09</b>
	includes	40	47	7	1.83	5.3	<b>1.91</b>
	<b>DDHC-10-031*</b>	13	48	35	0.94	13.0	<b>1.15*</b>
	<b>DDHC-10-032</b>	22	164.15	142.15	0.88	13.7	<b>1.11</b>
	Includes*	23	57	34	1.27	13.6	<b>1.50*</b>
	Includes*	124	164.15	40.15	1.45	19.6	<b>1.78*</b>
Quebrada Pedregosa	<b>DDHC-10-027</b>	38	66	28	1.53	0.7	<b>1.54</b>
	includes	50	58	8	3.86	0.6	<b>3.87</b>
	<b>DDHC-10-027</b>	76	79	3	3.23	0.8	<b>3.24</b>
	<b>DDHC-10-027</b>	113	119	6	0.53	0.7	<b>0.54</b>
	<b>DDHC-10-027</b>	124	134	10	0.52	1.5	<b>0.54</b>
	<b>DDHC-10-028</b>	63	73	10	0.32	0.3	<b>0.32</b>
Mineralized intercepts are based on a 0.1 g/t Au cutoff, with no more than 3 metres of internal dilution. Those marked with an asterisk (*) are based on a 0.5 g/t Au cutoff. Gold-equivalent (Au-EQ) values are calculated using 60 g/t Ag = 1 g/t Au (based on the 3-year average gold:silver price ratio) and assuming 100% metallurgical recovery. Abbreviations include metres (m) and grams per tonne (g/t).							

There has been insufficient drilling to date to reliably calculate true widths for the mineralized intercepts tabulated above.

### Del Carmen Geology and Work Program

The 147 km<sup>2</sup> Del Carmen concession package is located near the southern end of the El Indio Gold Belt, and hosts the Del Carmen Norte and Del Carmen Sur hydrothermal alteration systems. Del Carmen Norte is a large high sulphidation epithermal gold-silver system that covers approximately 9 km<sup>2</sup>. The initial interpretation of the geology at Del Carmen Norte is of a generally sub-horizontal volcanic stratigraphy where lithologies favourable for silicification and mineralization are sandwiched between less favourable volcanic layers, and cut by steep faults that strongly influenced hydrothermal fluid flow.

In addition to the 4,710 m (32 hole) diamond drilling program, mapping and rock chip sampling, 128 km of ground magnetometer and 14.1 km of controlled source audio-magneto-telluric surveys (CSAMT) were completed at Del Carmen Norte in the just-completed field campaign. CSAMT surveying is employed to identify zones of enhanced resistivity due to hydrothermal silicification within high sulphidation epithermal systems and to aid in identifying buried drilling targets.

A second, less exposed, high sulphidation epithermal system occurs at Del Carmen Sur some 5 km to the south of Del Carmen Norte. Geological mapping, sampling and mechanical trenching were conducted at Del Carmen Sur in the recently completed field season.

## **Technical Information**

Diamond drill hole samples consist of HQ-3 (6.11 cm diameter) core that is sawn in half by electric saw on site. Malbex's quality assurance-quality control (QA-QC) program consists of the insertion in every 20 samples of at least one certified standard of known gold content, one blank (sample known to consist of very low levels of gold to ensure adequate cleaning of the sample preparation equipment between samples) and one field duplicate. Samples of significant drill intercepts will be sent to two additional independent laboratories to verify gold and silver analyses when necessary. Metallic screen fire analyses for gold will also be run regularly on discovered mineralization as an additional QA-QC check. The half core remaining after sampling is stored in a Malbex-run facility in San Juan for verification and reference purposes.

Peter Stewart, PhD, Vice-President Exploration of Malbex Resources Inc., is a Professional Geoscientist in the Province of Ontario, and is the Qualified Person as defined by NI 43-101 responsible for the technical information presented in this news release.

## **About Malbex**

Malbex Resources Inc. is a gold exploration company led by experienced management and directors. Malbex holds an indirect 100% interest in three exploration projects in Argentina's El Indio Gold Belt, which hosts over 40 million ounces of gold in past production and current reserves. Two of the projects are in close proximity to Barrick's Veladero and Pascua-Lama gold deposits. For more information, please visit [www.malbex.ca](http://www.malbex.ca).

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