



Malbex
Resources

Malbex intersects 109 metres averaging 2.05 g/t gold in first step-out hole at Rojo Grande

January 12, 2012 – Malbex Resources Inc. (TSX-V:MBG) announced today that the first hole of the 2011/2012 field season at Del Carmen Norte has expanded the current Rojo Grande resource envelope to the southwest, with an intercept of 109 metres averaging 2.05 grams/tonne (g/t) gold and 7.4 g/t silver. Hole DD-11-057A was drilled approximately 85 metres from the nearest previous drill hole, and encountered mineralization beginning at a depth of 55 metres below ground surface.

The current drilling is part of an approximately \$8 million exploration program, which also includes a 42 line-kilometre Titan 24 induced polarization/resistivity survey (DCIP), geological mapping and surface rock sampling, and detailed metallurgical (column leach) testing. The first diamond drill rig commenced operations at Del Carmen Norte in November. The second diamond drill rig arrived on site shortly before operations were suspended in December for the end of year holidays. Both rigs resumed drilling this past week.

“Hole 57A has clearly demonstrated the continuity of potentially economic, near-surface mineralization to the south-southwest of the inferred mineral resource at Rojo Grande. Our goals this season are to continue to expand the 1 million ounce gold-equivalent resource in the Rojo Grande deposit and to test other promising geological and new geophysical targets within the 9 km² Del Carmen Norte alteration system,” said Tim Warman, President and CEO. “We previously identified at least three target areas at Del Carmen Norte in addition to Rojo Grande for follow up drilling, and we expect the Titan 24 survey will improve drill testing of existing targets, as well as generating new targets. Two of the known targets, Cerro Amarillo and Naciente Quebrada Pedregosa, have demonstrated shallow gold-silver oxide mineralization in previous drilling.”

Quantec Geoscience began the Titan 24 deep-penetrating DCIP survey of the entire Del Carmen Norte alteration system, including the Rojo Grande deposit, in December. Surveying has resumed and is expected to be completed before the end of January 2012. Previous drill results at Rojo Grande combined with the reinterpretation of a smaller DCIP survey from the mid-1990s show that silicified rocks hosting gold-silver oxide mineralization at Rojo Grande are characterized by sub-horizontal high resistivity and low chargeability anomalies. The distinctive geophysical pattern of Rojo Grande mineralization and geological knowledge gained from previous drilling which includes quartz-alunite hosted mineralization in non-resistive regions will greatly enhance the interpretation of the Titan 24 survey, not only at Rojo Grande but elsewhere in the Del Carmen Norte hydrothermal system. The greater depth of imaging by the Titan 24 method compared to the previous conventional IP surveying should also provide evidence 1) for the identification of feeder structures at Rojo Grande and elsewhere and 2) that copper-gold porphyry style mineralization may underlie the high-sulphidation epithermal mineralization. Targeting will also be assisted by three-dimensional

Malbex Resources Inc.

372 Bay Street, Suite 901, Toronto, ON, M5H 2W9
Tel: 416-628-0215 Web: www.malbex.ca

modelling of the various alteration lithologies, geochemical and geophysical characteristics and known locations of gold-silver mineralization from previous drilling.

Rojo Grande drilling highlights:

- **DDHC-11-057A:** 109 m (55-164m) at 2.05 g/t gold and 7.4 g/t silver
 - *including* 8 m (63-71m) at 3.99 g/t gold and 0.8 g/t silver
 - *and including* 23 m (120-143m) at 4.01 g/t gold and 17.3 g/t silver
- **DDHC-11-058:** 4 m (162-167m) at 1.48 g/t gold and 1.9 g/t silver

Vertical holes DDHC-11-057 and DDHC-11-058 were drilled to test for continuity to the south of the Rojo Grande deposit (Figures 1,2). The first attempt to drill hole 57 was abandoned in mineralization at 134.5 metres due to drilling problems. A second vertical hole on the same platform (hole 57A) intersected silicification and quartz-alunite alteration from surface to 236.5 metres. Included in this altered interval is 109 metres grading 2.05 g/t gold and 7.4 g/t silver, which is interpreted as a true vertical thickness (Figure 3).

Hole 58 intersected quartz-alunite alteration over 100 metres thick at comparable elevations to the mineralization in other holes on this section (17, 18, 33 and 34). The less intensely altered zone contains one interval of 4 metres grading 1.48 g/t gold and 1.9 g/t silver. The decrease in mineralization to the south of hole 34 is interpreted to be related to faulting (Figure 4).

The intercept in hole 57A extends Rojo Grande mineralization about 85 metres to the south of hole 33, beyond the mineralized envelope but within the Whittle pit shell containing the inferred resource. The resource currently stands at 25.4 million tonnes of oxide material grading 1.00 g/t gold and 13.3 g/t silver for 816,600 ounces of contained gold and 10.9 million ounces of contained silver, at a average gold equivalent cut off grade of 0.3 g/t (see PR of September 12, 2011). Hole 58 appears to show that the Rojo Grande deposit may be bounded to the south by a fault in this portion of the deposit. Hole DD-12-060 is currently testing the area between and south of holes 57A and 58 (Figure 2).

Click the following link to view [maps and sections](#) from Del Carmen Norte. Or access further information on the Del Carmen project at www.malbex.ca/Projects/Del_Carmen.

Del Carmen

Metallurgy

The Phase 2 metallurgical program began with the collection and delivery of approximately 1,400 kg of drill core from the Rojo Grande deposit to McClelland Laboratories Inc. of Sparks, Nevada in September 2011. Previous bottle roll testing showed an average gold recovery of 76.5% and low reagent consumptions for composites from Rojo Grande and Naciente Quebrada Pedregosa, positive factors for future utilization of heap leach cyanidation processing (PR January 20, 2011). Phase 2 will test seven composite samples that represent both the silica and quartz-alunite alteration styles that host gold-silver mineralization at Rojo Grande. Each composite will be subjected to column leach tests at 12.5 mm and 6.3 mm sizes in order to assess potential gold and silver recoveries and reagent consumptions under different crushing procedures and therefore the amenability of Rojo Grande ore to typical heap leach processing. The Phase 2 program also

includes mineralogical characterization, gold and silver deportment studies, load and permeability tests, as well as acid rock drainage tests.

Previous results

Table 1 Significant drill results at Rojo Grande including this press release

Hole ID	From (m)	To (m)	Length (m)	Au (g/t)	Ag (g/t)
DDHC-10-017	9.0	50.0	41.0	1.18	31.2
DDHC-10-018	5.0	20.0	15.0	1.07	27.3
DDHC-10-020	5.5	130.0	124.5	0.57	8.8
DDHC-10-031	13.0	48.0	35.0	0.94	13
DDHC-10-032	22.0	164.2	142.2	0.88	13.7
Includes	23.0	57.0	34.0	1.27	13.6
Includes*	124.0	164.2	40.2	1.45	19.6
DDHC-10-034	59	132	73	0.74	17.4
DDHC-10-035	139.0	188.0	49.0	1.41	3.2
including*	176.0	184.0	8.0	7.08	11.6
DDHC-10-038	87.0	111.0	24.0	0.90	13.2
DDHC-10-039	86.0	172.0	86.0	0.77	9.3
DDHC-11-040	120.0	130.0	10.0	1.14	5.1
DDHC-11-042	13.0	116.0	103.0	2.84	6.4
including*	85.0	90.0	5.0	48.34	15.4
DDHC-11-046	18.0	64.0	46.0	3.31	25.2
	106.0	238.65	132.65	2.10	10.8
DDHC-11-047*	21.0	38.0	17.0	2.72	71.0
DDHC-11-049	9.0	91.0	82.0	0.71	9.4
	136.0	201.0	65.0	0.59	6.2
DDHC-11-052	13.0	280.0	267.0	2.05	29.3
including*	171.0	205.0	34.0	8.31	70.1
DDHC-11-054	64.00	82.70	18.7	0.79	7.8
	109.00	171.90	62.9	0.80	11.4
DDHC-11-055	1.00	105.00	104.0	1.96	25.2
	143.00	210.00	67.0	0.51	1.5
DDHC-11-056	56.00	70.00	14.0	2.89	45.4
	105.00	147.00	42.0	1.10	4.0
DDHC-11-057A	55.00	164.00	109.0	2.05	7.3
including	63.00	71.00	8.0	3.99	0.7
and	120.00	143.00	23.0	4.01	17.2
DDHC-11-058	162.00	167.00	4.0	1.48	1.9

Length-weighted intervals are based on a 0.1 g/t gold lower cutoff with up to 3 continuous metres of internal dilution, except for * intervals which satisfy a 1 g/t lower cutoff. There are insufficient data to calculate true widths. Abbreviations: metres (m), grams per tonne (g/t).

The Rojo Grande deposit has the following characteristics:

- Average grades of approximately 1 g/t gold and 13 g/t silver
- Disseminated very fine-grained mineralization
 - hosted principally in silicified breccias but also occurs locally in quartz-alunite alteration
 - hosted by both altered andesite and dacite;
- Shallow, commonly commences within 20 metres of the surface;
- Oxidized, with preliminary metallurgical testing showing it is amenable to low-cost heap leach processing similar to Veladero ore;
- Remains open at depth, to the southwest, and possibly the northwest.

About Del Carmen Norte

The 151 km² Del Carmen concession package is located near the southern end of the El Indio Gold Belt, and hosts two high sulphidation epithermal gold-silver alteration systems. The Del Carmen Norte hydrothermal alteration system covers approximately 9 km². The second, less exposed, high sulphidation epithermal system at Del Carmen Sur is some 5 km to the south.

Del Carmen Norte consists of a strongly altered, sub-horizontal sequence of andesitic volcanic rocks that are cut by numerous faults. Volcanic breccias appear to be selectively silicified with mineralization hosted by silicification and quartz-alunite alteration between less favourable argillic (quartz-kaolinite) altered volcanic lithologies. Steep structures and the margin of dacite domes appear to have also strongly influenced hydrothermal fluid flow within the volcanic sequence. High-sulphidation alteration is therefore zoned outward from the combination of both lithological and structural controls.

Technical information

Diamond drill hole samples consist of core that is sawn in half by electric saw on site. Core samples are sealed in new plastic bags, which are inserted into rice sacks for transport by Malbex personal or commercial trucking service to ALS Global prep lab in Mendoza. All samples are crushed and pulped and powders sent by ALS to one of their laboratories (typically La Serena, Chile, Lima, Peru or North Vancouver, Canada). Fire assay for gold is conducted on 30 gram (g) pulps with atomic absorption finish. Over limits (>10 g/t gold) are fire assayed with gravimetric finish. In addition, all samples receive multi-element analysis including silver by ICP after aqua regia digestion and mercury by cold vapour atomic absorption.

Malbex's quality assurance-quality control (QA-QC) program consists of the insertion in every 21 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 an additional QA-QC check on high grade intercepts as

deemed necessary. 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 with projects in Argentina and Peru. In April 2010, Malbex made a near-surface, gold-silver oxide discovery at Del Carmen, its lead project in Argentina. Released in September 2011, the first-ever National Instrument 43-101-compliant, inferred mineral resource estimate for the Rojo Grande zone at Del Carmen measured 25.4 million tonnes grading 1.00 g/t gold and 13.3 g/t silver for 816,600 ounces of contained gold and 10.9 million ounces of contained silver. The Del Carmen project is located in the El Indio Gold Belt, which contains more than 35 million ounces of gold in current reserves and past production, including Barrick's Veladero mine and Pascua-Lama project. For more information, please visit www.malbex.ca.

FOR FURTHER INFORMATION PLEASE CONTACT:

Tim Warman, President and Chief Executive Officer
Marla Gale, VP Investor Relations
Tel: (416) 628-0215
email: ir@malbex.ca

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