Malbex Reports 73 Metres @ 1.03 g/t AuEQ in First Results for 2010/2011 Drilling Campaign at Del Carmen Norte

12.01.2011 | Marketwired

TORONTO, ONTARIO -- (Marketwire - Jan. 12, 2011) - Malbex Resources Inc. (TSX VENTURE: MBG) announced results today from two holes at the Rojo Grande target on the Company's Del Carmen gold-silver (Au-Ag) project in San Juan province, Argentina. These are the first completed holes from the 10,000 metre (m) diamond drill program planned for the Del Carmen Norte portion of the project area in the current field season.

The Rojo Grande target consists of reddish, iron oxide-stained rocks with near-surface Au-Ag mineralization on the north side of the massif that cores the Del Carmen Norte hydrothermal alteration system. Intersections reported today expand the zone of Au-Ag mineralization discovered in the final hole of the previous field campaign:

* DDHC-10-033: 70 m grading 0.46 grams per tonne (g/t) Au and 12.8 g/t Ag (0.67 g/t Au-EQ)

* DDHC-10-034: 73 m grading 0.74 g/t Au and 17.4 g/t Ag (1.03 g/t Au-EQ)
o including 16 m grading 0.97 g/t Au and 20.0 g/t Ag (1.30 g/t Au-EQ)

The holes were collared about 130 m to the southwest (DDHC-10-033) and south (DDHC-10-034) of hole DDHC-10-032 which had 0.88 g/t Au and 13.7 g/t Ag over 142.15 m from 20 m to the end of the hole (Figure 1) (press release of May 31, 2010). Holes DDHC-10-033 and DDHC-10-034 were drilled toward the northwest (325° azimuth) with -45° and -60° dips, respectively (Figure 2).

“These first two step-out holes demonstrate continuity to the south of shallow, bulk-tonnage style mineralization at Rojo Grande, with long intercepts and grades comparable to Barrick's nearby Veladero mine,“ said Tim Warman, President and CEO. “With two rigs turning at Del Carmen Norte, we expect to have consistent news flow over the coming months following today's solid results.“

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.

About Del Carmen Norte and Rojo Grande

Rojo Grande consists of prominent reddish weathering silicified outcrops on the northern flank of the massif of high sulphidation hydrothermal alteration at Del Carmen Norte. Silicified outcrops and geophysical data identify a shallow-dipping NE-SW striking, near-surface silicified ledge at Rojo Grande measuring approximately 800 m long by up to 300 m wide. Six diamond holes at Rojo Grande in the previous campaign intersected near-surface Au-Ag mineralization in silicified rocks over an area about 200 m by 150 m (Figure 2). Previous significant intersections at Rojo Grande are:

* DDHC-10-017: 41 m grading 1.18 g/t Au and 31.2 g/t Ag (1.70 g/t Au-EQ)

* DDHC-10-018: 15 m grading 1.07 g/t Au and 27.3 g/t Ag (1.53 g/t Au-EQ)

* DDHC-10-020: 124.5 m grading 0.57 g/t gold (Au) and 8.8 g/t silver (Ag) (0.72 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)

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

Hole DDHC-10-033 explored the ledge of silicification with known mineralization between east- and northeast-trending fault zones (Figure 2). The hole collared in a fault zone (Figure 3) and entered quartz-alunite altered volcanic breccia at about 11 m with abruptly increasing gold contents accompanying

the change to multi-event hydrothermal breccia with previously silicified clasts cemented by dark grey, very fine-grained quartz and chalcedony at about 36 m. The hole entered a previously unknown fault zone at 86 m that continued in faulted rocks with possible quartz-kaolin alteration until the hole was lost at 127.3 m. Vuggy silica and silicified fragments occur in the fault zone in an apparent quartz-clay gouge or unlithified matrix. Due to poor recoveries, nine metres (86-89, 92-95, and 98-101 m) within the quoted 70 m zone and from 107 m to end of hole (127.3 m) were not assayed. These missing data represent greater than 10% of the interval of mineralization. Average grade calculations are made by assigning zero to the missing intervals and thus may underestimate the grade. Additional drilling will be required to better define the extent and grade of the mineralization reported today for future resource estimation but typical +90% recoveries in the upper portion of the hole demonstrate continuity of the mineralized block to the southwest from hole DDHC-10-032.

DDHC-10-034 tested for the continuation of the mineralized ledge southeast of the northeast-trending fault zone and directly south of DDHC-10-032 (Figure 2). The hole collared in strong clay alteration cut by one or more fault zones. Au-Ag mineralization commences directly below narrow quartz-alunite alteration with patchy strong silicification. Gold is hosted by the wide zone of siliceous hydrothermal breccias. Both greyish and pale brownish siliceous cement appear to be associated with elevated gold grades. Gold accompanies strong hematite staining at the upper contact of the hydrothermal breccia.

Mineralization at Rojo Grande is generally hosted by vuggy silica and massive silicification with fine-grained hematite, goethite and jarosite veinlets and red-brown staining. Selective chip sampling of northeast-striking zones of hydrothermal breccias cemented by chalcedony and very fine-grained quartz that cut pre-existing silicification yielded samples with up to 10 g/t Au.

The silicified reddish outcrops at Rojo Grande are interpreted to be part of a sub-horizontal ledge (sheet) formed by preferential silicification and quartz-alunite alteration of volcanic breccias within the strongly argillic (illite) to advanced argillic (kaolinite) altered tuffs and fine-grained flows that dominate the andesitic volcanic sequence. The alteration is cut by northeast-, north-northwest- and east-striking fault zones. The mineralized intersections are bounded by changes in style of alteration, by faults or both. While some faults abruptly truncate silicification and thereby clearly post-date the hydrothermal events, hydrothermal feeder structures that controlled alteration and mineralization are inferred to preferentially coincide with one or more of these directions.

Significant mineralized intercepts in the most recent holes are tabulated below.

target hole ID from (m) to (m) length (m) Au (g/t) Ag (g/t) Au-EQ (g/t)
DDHC-10-033 37 107 70 0.46 12.8 0.67
Rojo Grande DDHC-10-034 59 132 73 0.74 17.4 1.03
Includes 79 95 16 0.97 20.0 1.30

Mineralized intercepts are based on a 0.1 g/t Au cutoff, with no more than 3 m of internal dilution.

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. Results are pending for three completed holes (DDHC-10-035 to -037) and two holes interrupted by the end-of-year shutdown (DDHC-10-038, -039) (Figure 2).

About the Del Carmen Work Program

The 147 km2 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 high sulphidation epithermal gold-silver systems. The Del Carmen Norte hydrothermal alteration system covers approximately 9 km2. A second, less exposed, high sulphidation epithermal system occurs at Del Carmen Sur some 5 km to the south of Del Carmen Norte.

Del Carmen Norte consists of a strongly altered, sub-horizontal sequence of andesitic volcanic rocks that is cut by numerous faults. Volcanic breccias appear to be selectively silicified with silicification hosting mineralization sandwiched between less favourable argillic altered volcanic layers. Steep faults have 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 on silicification. Controlled source audio-magneto-telluric surveying (CSAMT) in the previous field campaign identified elevated resistivity coincident with silicified rocks at Rojo Grande. Other larger CSAMT resistivity anomalies to the southwest are directly associated with steam-heated siliceous alteration at high elevations at Cerro Amarillo

but continue to the depth limits of detection of the survey (roughly 500 m vertically).

In addition to Rojo Grande, other zones of vuggy silica and other styles of silicification, and enargite-bearing quartz veins on surface were drill tested in the 2009-2010 field campaign. The current 10,000 m drill campaign at Del Carmen Norte will focus on defining the extent of Au-Ag mineralization at Rojo Grande, testing CSAMT resistivity anomalies (including the large anomaly between Rojo Grande and Cerro Amarillo), and follow up on encouraging initial drill results from Naciente Quebrada Pedregosa.

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. 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 or North Vancouver, BC). Fire assay for gold is conducted on 30 gram (g) pulps with atomic absorption finish. Over limits (>10 g/t Au) 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 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.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION: This news release includes certain information that may constitute “forward-looking information“ under applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements about strategic plans, spending commitments, future operations, results of exploration, anticipated financial results, future work programs, capital expenditures and objectives. Forward-looking information is necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking information, including the risks identified in the Company's annual information form under the heading “Risk Factors“. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. All forward-looking information contained in this press release is given as of the date hereof and is based upon the opinions and estimates of management and information available to management as at the date hereof. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

For more information, please contact

Malbex Resources Inc.

Tim Warman
President and Chief Executive Officer
(416) 628-0215
or
Malbex Resources Inc.
Marla Gale
VP Investor Relations
(416) 628-0215
ir@malbex.ca
www.malbex.ca