

5226496-2
\$ 357,500
June 30, 2009

FORM 45-106F1
REPORT OF EXEMPT DISTRIBUTION

This is the form required under section 6.1 of National Instrument 45-106 for a report of exempt distribution.

Issuer information

Item 1: State the full name of the issuer of the security distributed and the address and telephone number of its head office. If the issuer of the security distributed is an investment fund, state the name of the fund as the issuer, and provide the full name of the manager of the investment fund and the address and telephone number of the head office of the manager. Include the former name of the issuer if its name has changed since last report.

Malbex Resources Inc.
100 King Street W., Suite 3900
Toronto, ON M5X 1B2

416-863-4398 (Counsel to the Issuer)

Item 2: State whether the issuer is or is not a reporting issuer and, if reporting, each of the jurisdictions in which it is reporting.

The Issuer is not a reporting issuer.

Item 3: Indicate the industry of the issuer by checking the appropriate box next to one of the industries listed below.

- ☐ Bio-tech
- ☐ Financial Services
- ☐ investment companies and funds
- ☐ mortgage investment companies
- ☐ Forestry
- ☐ Hi-tech
- ☐ Industrial

- Mining
 - ☒ exploration/development
 - ☐ production
- ☐ Oil and gas
- ☐ Real estate
- ☐ Utilities
- ☐ Other (describe)

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Details of distribution

Item 4: Complete Schedule I to this report. Schedule I is designed to assist in completing the remainder of this report.

Item 5: State the distribution date. If the report is being filed for securities distributed on more than one distribution date, state all distribution dates.

Private placement of subscription receipts of the Issuer on June 30, 2009.

Item 6: For each security distributed:

- (i) *describe the type of security,*

Subscription receipts ("Subscription Receipts") of the Issuer.

- (ii) *state the total number of securities distributed. If the security is convertible or exchangeable, describe the type of underlying security, the terms of exercise or conversion and any expiry date; and*

21,275,000 Subscription Receipts. Each Subscription Receipt entitles the holder thereof to receive one unit of the Corporation (collectively the "Units") without payment of any additional consideration upon the exchange of the Subscription Receipt in accordance with the terms of the subscription receipt indenture dated June 30, 2009 between the Corporation, Thomas Weisel Partners Canada Inc., Dundee Securities Corporation, GMP Securities L.P. and Computershare Trust Company of Canada, as transfer agent. Each Unit consists of one common share of the Corporation (a "Common Share") and one-half of one warrant of the Corporation (each whole warrant a "Warrant"). Each whole Warrant will entitle the holder thereof to purchase, subject to adjustment, one Common Share at a price of \$0.75 at any time on or before the date which is the earlier of: (a) 18 months after the effective date of the amalgamation involving the Issuer, Arapaho Capital Corp. and 2206833 Ontario Inc. (the "Amalgamation"); and (b) June 30, 2011, subject to acceleration in certain circumstances. In the event that the Amalgamation is completed on or prior to 5 p.m. (Toronto time) on December 31, 2009 (the "Release Deadline"), all Subscription Receipts will automatically be exchanged for Units on the basis of one Unit for each Subscription Receipt immediately preceding the effective time of the Amalgamation, without any further action on the part of the holder.

If the Amalgamation is not completed on or prior to the Release Deadline, approximately 26 per cent of the Subscription Receipts held by each holder of Subscription Receipts will be deemed to be exchanged for Units on the basis of one Unit for each Subscription Receipt, and each of the holders of Subscription Receipts, as to such holder's remaining Subscription Receipts, will have the right to elect to either: (i) have his Subscription Receipts cancelled and have returned to him an amount equal to the purchase price for such Subscription Receipts, or (ii) exchange such Subscription Receipts for Units on the basis of one Unit for each such Subscription Receipt without payment of any additional consideration in addition to the purchase price therefor.

- (iii) *state the exemption(s) relied on.*

Accredited Investor - section 2.3 of NI 45-106.

Item 7: Complete the following table for each Canadian and foreign jurisdiction where purchasers of the securities reside. Do not include in this table, securities issued as payment for commissions or finder's fees disclosed under item 8, below.

Each jurisdiction where purchasers reside	Number of purchasers	Price per security (CAN\$) ¹	Total dollar value raised from purchasers in the jurisdiction (CAN\$)
BRITISH COLUMBIA	12	\$0.50	\$357,500
ALBERTA	3	\$0.50	\$75,000
ONTARIO	25	\$0.50	\$5,725,000
UNITED STATES OF AMERICA	2	\$0.50	\$2,800,000
GRAND CAYMAN ISLANDS	3	\$0.50	\$805,000
UNITED KINGDOM	3	\$0.50	\$400,000
GUERNSEY	1	\$0.50	\$250,000
BRITISH VIRGIN ISLANDS	1	\$0.50	\$100,000
HONG KONG	1	\$0.50	\$50,000
AUSTRALIA	1	\$0.50	\$50,000
NEW ZEALAND	1	\$0.50	\$25,000
Total number of Purchasers	53		
Total dollar value of distribution in all jurisdictions (Canadian \$)			\$10,637,500

Note 1: If securities are issued at different prices list the highest and lowest price the securities were sold for.

Commissions and finder's fees

Item 8: Complete the following table by providing information for each person who has received or will receive compensation in connection with the distribution(s). Compensation includes commissions, discounts or other fees or payments of a similar nature. Do not include payments for services incidental to the distribution, such as clerical, printing, legal or accounting services.

If the securities being issued as compensation are or include convertible securities, such as warrants or options, please add a footnote describing the terms of the convertible securities, including the term and exercise price. Do not include the exercise price of any convertible security in the total dollar value of the compensation unless the securities have been converted.

Full name and address of the person being compensated	Compensation paid or to be paid (cash and/or securities)				Total dollar value of compensation (Canadian \$)
	Cash (Canadian \$)	Securities Number and type of securities issued	Price per security	Exemption relied on and date of distribution	
Thomas Weisel Partners Canada Inc. 79 Wellington Street West, 21st Floor Toronto, ON M5K 1B7	\$381,420	762,840 Broker Warrants	--	Accredited Investor (NI 45-106), June 30, 2009	\$381,420
Dundee Securities Corporation Suite 3424, Four Bentall Centre 1055 Dunsmuir Street Vancouver, BC V7X 1K8	\$127,140	254,280 Broker Warrants	--	Accredited Investor (NI 45-106), June 30, 2009	\$127,140
GMP Securities L.P. Suite 300 145 King Street West Toronto, ON M5H 1J8	\$127,140	254,280 Broker Warrants	--	Accredited Investor (NI 45-106), June 30, 2009	\$127,140

NOTE: Each broker warrant entitles the holder thereof to purchase one common share of the Issuer at a price of \$0.50 for a period that is the earlier of (i) 18 months from the effective date of the Amalgamation and (ii) June 30, 2011, subject to adjustment.

Item 9: If a distribution is made in Ontario, please include the attached "Authorization of Indirect Collection of Personal Information for Distributions in Ontario". The "Authorization of Indirect Collection of Personal Information for Distributions in Ontario" is only required to be filed with the Ontario Securities Commission.

Certificate

On behalf of the issuer, I certify that the statements made in this report are true.

Date: June 30, 2009

Malbex Resources Inc.

Name of issuer (please print)

**Tim Warman, President and Chief Executive
Officer, Telephone: 416-566-6762**

Print name, title and telephone number of person
signing



Signature

Item 10: State the name, title and telephone number of the person who may be contacted with respect to any questions regarding the contents of this report, if different than the person signing the certificate.

IT IS AN OFFENCE TO MAKE A MISREPRESENTATION IN THIS REPORT.

Notice - Collection and use of personal information

The personal information required under this form is collected on behalf of and used by the securities regulatory authorities or, where applicable, the regulators under the authority granted in securities legislation for the purposes of the administration and enforcement of the securities legislation.

If you have any questions about the collection and use of this information, contact the securities regulatory authority or, where applicable, the regulator in the jurisdiction(s) where the form is filed, at the address(es) listed at the end of this report.