



## **PRESS RELEASE**

**ARMISTICE RESOURCES CORP.**

**For Immediate Release**

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### **Armistice Resources Completes Equity Offering**

- Offering raises gross proceeds of \$14.1 million
- Armistice to use the proceeds and its cash on hand to bring the McGarry Mine into gold production and to increase the company's exploration programs on the McGarry and Kerr-Addison properties
- Armistice will repay all obligations under the Senior Secured Gold Stream Debt Facility and terminating the Gold Supply Agreement by paying Waterton Global \$7.0 million in cash and issuing 24 million common shares
- Termination of the Gold Supply Agreement will result in financial savings to Armistice as the company begins and ramps up gold production

Toronto, ON – October 31, 2011 – Armistice Resources Corp. (TSX: AZ) (Armistice or the company) today announced that it has completed its previously announced equity offering (the Offering) for total gross proceeds of \$14,109,886.

Under the Offering, Armistice sold 41,475,000 Units at \$0.25 per Unit and 13,361,200 Flow-Through Shares at a price of \$0.28 per Flow-Through Share. Each Unit consists of one Common Share of the company and one-half of one Common Share purchase warrant. Each whole warrant will entitle the holder to purchase one Common Share of the company at an exercise price of \$0.35 per Common Share for a period of 36 months following the date of closing of the Offering.

Canaccord Genuity Corp. acted as the Agent for the Offering, with BayFront Capital Partners Ltd. included in the selling group.

The Offering was made under a short-form prospectus filed October 25, 2011 with securities regulators in British Columbia, Alberta, and Ontario.

Armistice will use the net proceeds raised under the Offering to fund the company's development, mining, and pre-production programs at the McGarry Project, exploration on its properties, property option payments, consumables, equipment purchases, to repay a \$7.0 million loan from Waterton Global Value, L.P. (Waterton), and for general working capital purposes. Armistice will incur Canadian Exploration Expenses (CEE) for activities on its McGarry Project and Kerr Addison Property equal to the proceeds of the Flow-Through Shares sold under the Offering.

Concurrent with the completion of the Offering and pursuant to a discharge and termination agreement with Waterton Global Value L.P. (Waterton), announced on October 25, 2011, with respect to the \$15 million Senior Secured Gold Stream Debt Facility (the Facility) that Waterton had made available to Armistice, the company is repaying in full all of its obligations under the Facility. All security granted by Armistice to Waterton is being discharged in full and the Gold Supply Agreement is being terminated.

In consideration of the full and final release of the security under the Credit Facility Agreement and the termination of the Gold Supply Agreement, Armistice is today paying to Waterton \$7.0 million in cash and is issuing 24,000,000 Common Shares. The 24,000,000 Common Shares issued to Waterton are subject to a statutory hold period of four months and one day from today's closing.

"The proceeds of the Offering, together with the approximately \$3 million of cash that Armistice had on hand at the end of our fiscal 2012 first quarter on September 30, 2011," said Todd J. Morgan, President and Chief Executive Officer of Armistice, "provides us with adequate funding to repay Waterton and become a debt-free company, bring our McGarry Mine project into production, and to significantly increase our exploration programs on the McGarry and Kerr-Addison properties through calendar 2012. The termination of the Gold Supply Agreement will be very beneficial to Armistice's cash flow as we begin selling gold in 2012."

### **About Armistice Resources Corp.**

Armistice is an exploration company engaged in the acquisition and exploration of gold properties. The company currently owns the rights to a mineral property (the McGarry Project), which is an underground gold project currently in pre-production located in the southwestern part of McGarry Township, in north-eastern Ontario, on the major geological structure referred to as the Larder Lake Break, immediately west of the municipality of Virginiatown.

On December 23, 2010, the company entered into a five-year option agreement to acquire up to a 100% interest in a property (the Kerr Addison Property) which adjoins Armistice's McGarry Project to the east. The former mine on the Kerr Addison Property (the Former Kerr Addison Mine) produced approximately 11 million ounces of gold during a 58-year operating life from 1938 to 1996. Gold-bearing zones within its extensive mineralized system were mined from surface to a depth of 4,500 feet, and over a strike length of about 3,200 feet. The Former Kerr Addison Mine was in production right to the time that creditors forced a foreclosure during a period of low gold prices. Armistice is listed on the TSX and currently has 184,960,971 common shares issued and outstanding. To find out more about Armistice, please visit the company's website at [www.armistice.ca](http://www.armistice.ca).

### **Forward-Looking Statements**

This news release contains forward-looking statements, including current expectations on the timing of the commencement of production and the rate of production, if commenced, and the expectation that the termination of the Gold Supply Agreement will result in financial savings to Armistice and be very beneficial to cash flow. These and all forward-looking statements entail various risks and uncertainties that could cause actual results to differ materially from those reflected in these forward-looking statements. Such statements are based on current expectations, are subject to a number of uncertainties and risks, and actual results may differ materially from those contained in

such statements. These uncertainties and risks include, but are not limited to, the strength of the Canadian economy; the price of gold; operational, funding, and liquidity risks; the degree to which mineral resource estimates are reflective of actual mineral resources; the degree to which a pre-feasibility study gives sufficient grounds for classifying the indicated mineral resources as probable reserves; and the degree to which factors which would make a mineral deposit commercially viable are present; the risks and hazards associated with underground operations. Risks and uncertainties about Armistice Resources' business are more fully discussed in the company's disclosure materials, including its annual information form and MD&A, filed with the securities regulatory authorities in Canada and available at [www.sedar.com](http://www.sedar.com) and readers are urged to read these materials. Armistice Resources assumes no obligation to update any forward-looking statement or to update the reasons why actual results could differ from such statements unless required by law.

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