



NEWS RELEASE

ARMISTICE RESOURCES CORP.

Armistice Resources Begins Hoisting and Stockpiling at its McGarry Mine

- Meets milestone target to begin hoisting operations prior to 2011 year-end
- Detailed stope definition diamond drilling ongoing for 260N and 325N Zones
- Results to date from a number of holes for which assay results are available have been very positive
- Progress towards sustained ore production and the required infrastructure at McGarry is on target and below budget
- Management believes the McGarry Mine will be a highly profitable operation with an excellent long-term future

Toronto, ON – January 5, 2012 – Armistice Resources Corp. (TSX: AZ) today announced that in December it began hoisting and stockpiling operations at its McGarry gold mine in the Kirkland Lake area of northeastern Ontario. The company also provided an update on its progress during December 2011.

“With the start of hoisting and stockpiling operations at the McGarry Mine, Armistice has marked another important milestone in our progress toward becoming a producer and we have met our announced target of achieving this before the end of 2011,” said Todd J. Morgan, President and Chief Executive Officer.

Stope Development – 325N Zone

Material is being hoisted from development workings in the 325N Zone. The 325N Zone has been the focus of development drifting, ramping, and stope definition diamond drilling during the past six months. To maximize extraction from the 325N Zone, Armistice drove an access ramp to approximately 40 feet below the main haulage drift on the 2250 Level. The 2250 Level is the lowest level in the mine.

Initial extraction from the 325N Zone was from a cross-cut through the entire zone which exposed approximately 140 feet of the prospective geological section. The cross-cut has been extensively sampled although results are not yet complete. Based on geological mapping and closed-spaced diamond drill results, at least four headings will be taken off from this cross-cut. The first heading is now in progress and three more will follow. Two additional headings will soon be available from the western end of the 325N Zone and from the 260N Zone.

400N Zone

The ramp which provides access to the 325N Zone is being continued towards the 400N Zone which is now only about 200 feet from the end of the ramp. The 400N Zone was included in the published resource estimate and is the gold zone with some of the best grades and widths based on the previous exploration drilling at 100 foot spacing.

Production Outlook

With up to six active stopes in the 325N/260N Zones and several more expected in the 400N Zone, it is anticipated that sufficient stopes will be available to sustain the projected production of 25,000 oz of gold in 2012. The Preliminary Economic Assessment included as part of the recently filed 43-101-compliant Technical Report, based the economic model on having 10 active stopes each with a minimum width of 5 feet and length of 100 feet. It appears likely that at least some of the stopes in the 325N Zone will be significantly wider than 5 feet and may well be longer, although stope definition diamond drilling is ongoing and final mine planning is not complete.

Stope Definition Diamond Drilling

Detailed, stope definition diamond drilling is ongoing for the 260N and 325N Zones. Results to date from a limited number of holes for which assay results are available have been very positive. It is not generally Armistice's policy to publish results from routine stope definition diamond drilling or production underground sampling except when it is judged by management that significant new information has been obtained.

Custom Milling

Armistice has commissioned metallurgical testing specific to the extraction processes at several nearby custom milling operations under the supervision of a leading consulting metallurgical engineering firm. Results have been very encouraging and final test work is under way. Armistice is in final negotiations and will make an announcement when a contract has been signed. In the meantime, all material is being stockpiled on surface at the McGarry Mine. The stockpile includes material from current operations and from the 2007-2008 test mining project.

Mine Infrastructure Projects

A number of mine infrastructure projects, required before the full production phase can be commenced, are in progress. These projects are progressing in tandem with the stope development phase described above.

- An ore/waste pass from the 2250 Level to the 2050 Level has been completed and drifting on the 2050 Level has connected with this raise.
- With this raise completion, the Alimak raise climber is being moved to begin the ventilation/escapeway raise which will extend from the 2250 Level to the 1250 Level. From surface to the 1250 Level, a ladderway will be installed in an existing bored ventilation raise. Engineering for the ladderway is complete and fabrication on site of the ladder sections is approximately 50 percent complete. This escapeway system must be completed before the mine can move past the current phase of stope development.
- A new cage/skip combination has been received on site, which, for the first time, will allow for double skipping of ore and waste to surface. The cage/skip and

related loading facility expansion on the 2250 Level will be commissioned over the next several months. Existing hoisting capacity is sufficient to meet current needs.

Workforce

Armistice is competing in a tight market for skilled professionals, tradespeople and miners. The total number of employees has increased from eight at the end of March 2011 to the current 65 which is the planned workforce for this stage of the mine's development. Armistice has been able to recruit a workforce of very high quality while maintaining a very low turnover.

There have been no lost time injuries since the ramp up of activity at the beginning of April 2011.

Conclusion

Progress towards sustained ore production and the required infrastructure at Armistice's McGarry Mine is on target and below budget. Management believes that the McGarry Mine will be a highly profitable operation with an excellent long-term future.

Qualified Person

Erik Andersen, P.Eng., Vice-President and Chief Operating Officer of Armistice Resources and a Qualified Person as defined by National Instrument 43-101, has reviewed and approved this news release.

About Armistice Resources Corp.

Armistice Resources, a Canadian-based exploration and development company began hoisting and stockpiling operations in December 2011 from its McGarry gold mine in the Kirkland Lake area of northeastern Ontario. The McGarry Mine is located in Virginiatown on the prolific Larder Lake-Cadillac Break that extends 200 km east-west straddling the Ontario and Quebec border and that has produced 95 million ounces of gold. The McGarry Mine is adjacent to the former Kerr-Addison Gold Mine that produced more than 11 million ounces of gold. Armistice has signed a definitive five-year option agreement for the purchase of up to 100 percent of the mineral rights on the Kerr-Addison property. The McGarry Mine consists of 33 contiguous patented mining claims, including three licenses of occupation, totaling 484 hectares. Armistice Resources is listed on the Toronto Stock Exchange (Symbol: AZ) and currently has 184,960,971 common shares issued and outstanding. To find out more about Armistice Resources, please visit the company's website at 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. These 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; 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 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.

For further information:

President, CEO and Chairman
Todd J. Morgan
Armistice Resources Corp.
Email: info@armistice.ca
(705) 567-4567

Investor and Media Relations
Richard W. Wertheim
Wertheim + Company Inc.
Email: wertheim@wertheim.ca
416-594-1600 ext. 223
416-518-8479 (cell)