ARMISTICE RESOURCES LTD.

(A DEVELOPMENT STAGE ENTERPRISE)

FINANCIAL STATEMENTS

NINE MONTH PERIOD ENDED MARCH 31, 2005

The accompanying consolidated financial statements for Armistice Resources Ltd. have been prepared by management in accordance with Canadian generally accepted accounting principles consistently applied. These consolidated financial statements are unaudited and have not been reviewed by the auditors. Recognizing that the Company is responsible for both the integrity and objectivity of the consolidated financial statements, management is satisfied that these consolidated financial statements have been fairly presented.

ARMISTICE RESOURCES LTD.

BALANCE SHEET

AS AT MARCH 31, 2005 AND JUNE 30, 2004

	MARCH 31 2005	JUNE 30 2004
ASSETS		
CURRENT ASSETS		
Cash	$ 25,523	$ 798,536
Sundry assets	60,384	38,037
	85,907	836,573
MINING PROPERTY	8,633,561	8,646,458
PROPERTY, PLANT AND EQUIPMENT (Note 2)	45,461	24,969
	$ 8,764,929	$ 9,508,000
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 534,003	$ 945,546
SHAREHOLDERS' EQUITY		
SHARE CAPITAL	36,991,990	36,991,990
WARRANTS	268,900	268,900
CONTRIBUTED SURPLUS	810,750	810,750
DEFICIT	(29,840,714)	(29,509,186)
	8,230,926	8,562,454
	$ 8,764,929	$ 9,508,000

ON BEHALF OF THE BOARD:

"Steven Reiken"
DIRECTOR

"Todd J. Morgan"
DIRECTOR

See accompanying notes.

ARMISTICE RESOURCES LTD.

STATEMENT OF LOSS AND DEFICIT

PERIODS ENDED MARCH 31, 2005 AND 2004

	3 MONTH PERIOD ENDED MARCH 31 2005	3 MONTH PERIOD ENDED MARCH 31 2004	**9 MONTH PERIOD ENDED MARCH 31 2005**	9 MONTH PERIOD ENDED MARCH 31 2004
EXPENSES				
Administrative	**$ 62,846**	$ 30,503	**$ 328,314**	$ 65,888
Amortization	**1,006**	260	**3,214**	780
	63,852	30,763	**331,528**	66,668
LOSS	**(63,852)**	(30,763)	**(331,528)**	(66,668)
DEFICIT, beginning of period	**(29,776,862)**	(29,118,512)	**(29,509,186)**	(29,082,607)
DEFICIT, end of period	**$(29,840,714)**	$(29,149,275)	**$(29,840,714)**	$(29,149,275)
Basic and diluted loss per share	**0**	0	**0**	0

See accompanying notes.

ARMISTICE RESOURCES LTD.

STATEMENT OF CASH FLOWS

PERIODS ENDED MARCH 31, 2005 AND 2004

	3 MONTH PERIOD ENDED MARCH 31 2005	3 MONTH PERIOD ENDED MARCH 31 2004	**9 MONTH PERIOD ENDED MARCH 31 2005**	9 MONTH PERIOD ENDED MARCH 31 2004
OPERATING ACTIVITIES				
LOSS	**$ (63,852)**	$ (30,763)	**$ (331,528)**	$ (66,668)
ADD ITEMS NOT REQUIRING A CASH OUTLAY				
Amortization	**1,006**	260	**3,214**	780
DECREASE (INCREASE):				
Sundry assets	**(8,972)**	-	**(22,347)**	-
INCREASE (DECREASE):				
Accounts payable	**(58,154)**	22,166	**(411,543)**	106,015
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	**(129,972)**	(8,337)	**(762,204)**	40,127
FINANCING ACTIVITIES				
Loans advanced	**-**	35,000	**-**	35,000
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	**-**	35,000	**-**	35,000
INVESTING ACTIVITIES				
Mining properties	**23,424**	(26,738)	**12,897**	(75,142)
Acquisition of Property, plant and equipment	**-**	-	**(23,706)**	-
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES	**23,424**	(26,738)	**(10,809)**	(75,142)
CHANGE IN CASH DURING THE PERIOD	**(106,548)**	(75)	**(773,013)**	(15)
CASH, beginning of period	**132,071**	1,773	**798,536**	1,713
CASH, end of period	**$ 25,523**	$ 1,698	**$ 25,523**	$ 1,698

See accompanying notes.

ARMISTICE RESOURCES LTD.

NOTES TO FINANCIAL STATEMENTS

PERIODS ENDED MARCH 31, 2005 AND 2004

1. CONTINUING OPERATIONS

The accompanying unaudited interim financial statements are prepared in accordance with generally accepted accounting principals ("GAAP") in Canada. They do not include all of the information and disclosures required by Canadian GAAP for annual audited financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. The interim financial statements should be read in conjunction with the company's financial statements including the notes thereto for the year ended June 30, 2004.

These financial statements have been prepared on the basis of accounting principles applicable to a "going concern", which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. However, the company presently has a significant negative working capital deficiency. The company's existence is dependent upon its ability to secure financing necessary to meet its obligations, finance development expenditures and to obtain profitable operations. Should the Company be unable to secure such financing, it may have to, at any time, cease its operations.

Accordingly, readers are cautioned that these financial statements do not reflect adjustments that would be necessary if the "going concern" basis were not appropriate.

(a) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is originally recorded at cost and is amortized based on this cost using the following rates:

Buildings	4%
Computer	30%
Automotive	30%

2. PROPERTY, PLANT AND EQUIPMENT

	COST	ACCUMULATED AMORTIZATION	Net **2005**	2004
Buildings	$ 35,000	$ 10,773	**$ 24,227**	$ 24,969
Automotive	20,520	2,140	**18,380**	-
Computer	10,730	7,876	**2,854**	-
Totals	$ 66,250	$ 20,789	**$ 45,461**	$ 24,969

Amortization expense for the three month period amounted to $1,006 (2004 - $260).

3. COMMITMENTS AND CONTINGENCIES

(a) Sheldon-Larder, the owner of the remaining undivided 25% ownership interest in the mining claims is entitled to the greater of: (i) a Net Smelter Return Royalty of 2% for periods when the price of gold is less than U.S. $500 per troy ounce; 3% when such price is U.S. $500 or more and less than U.S. $800 per troy ounce and 4% when such price is U.S. $800 per troy ounce or more; (ii) $1.00 per short ton of ore derived from the properties; (iii) an advance royalty payment of $21,573.61 per quarter year.

(b) The Company has agreed to pay $1 with respect to each ton of ore removed from the Company's property and subsequently treated up to a maximum of $500,000. To date, the Company has paid $8,283 under this agreement.

Royalty expense capitalized during the period related to this agreement amounted to $64,721.

4. APPLICATION FOR REVOCATION OF CEASE TRADE ORDER

The Company announced that it will not be completing the private placement that it had indicated would close on November 30, 2004 This private placement was permitted pursuant to a partial revocation order of the Ontario Securities Commission, dated August 13, 2004 which partially revoked a previously issued cease trade order. Since the Company has completed all of the terms of the partial revocation order, it now intends to proceed with applications for the full revocation of the cease trade orders imposed by the provinces of Ontario, Alberta, Quebec and British Colombia. In the meantime, the full cease trade orders remain in effect and no trades in the securities of the Company are permitted. Once the cease trade orders are revoked, the Company intends to conduct a financing in those provinces at a date to be announced.

5. RELATED PARTY TRANSACTIONS

During the year, the company had transactions with directors, former directors or immediate family members of a former director. The particulars of the balance owing to these parties at the end of the period and transactions during the year are as follows:

	MARCH 31 2005	JUNE 30 2004
Included in accounts payable and accrued liabilities	**74,472**	73,760
Included in general and administrative	**19,330**	70,000
	93,802	143,760

These transactions are in the normal course of business and were transacted and recorded at the exchange amounts agreed to by the parties.