ARMISTICE RESOURCES LTD.

(A DEVELOPMENT STAGE ENTERPRISE)

FINANCIAL STATEMENTS

THREE MONTH PERIOD ENDED SEPTEMBER 30, 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 SEPTEMBER 30, 2005 AND JUNE 30, 2005

	SEPTEMBER 30 2005	JUNE 30 2005
ASSETS		
CURRENT ASSETS		
Cash	**$ 4,381**	$ 2,885
Sundry assets	**21,160**	62,564
	25,541	65,449
MINING PROPERTY (Note 3)	**8,977,804**	8,951,524
PROPERTY, PLANT AND EQUIPMENT (Notes 1 and 2)	**42,632**	44,515
	$ 9,045,977	$ 9,061,488
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	**$ 907,705**	$ 840,069
SHAREHOLDERS' EQUITY		
SHARE CAPITAL	**36,991,990**	36,991,990
WARRANTS	**268,900**	268,900
CONTRIBUTED SURPLUS	**810,750**	810,750
DEFICIT	**(29,933,368)**	(29,850,221)
	8,138,272	8,221,419
	$ 9,045,977	$ 9,061,488

ON BEHALF OF THE BOARD:

"Steven Reiken"
DIRECTOR

"Todd J. Morgan"
DIRECTOR

ARMISTICE RESOURCES LTD.

STATEMENT OF OPERATIONS AND DEFICIT

THREE MONTH PERIODS ENDED SEPTEMBER 30, 2005 AND 2004

	2005	2004
EXPENSES		
Consulting	**$ 34,620**	$ 32,770
Legal fees	**46,091**	26,163
Accounting and audit fees	**2,450**	2,510
Office	**4,051**	6,540
Repairs and maintenance	**222**	13,956
Shareholder relations	**3,370**	6,116
Amortization	**1,883**	1,139
Interest and bank charges	**49**	251
Recovery of expenses	**(9,589)**	-
	83,147	89,445
NET LOSS FOR THE PERIOD	**(83,147)**	(89,445)
DEFICIT, beginning of period	**(29,850,221)**	(29,509,186)
DEFICIT, end of period	**$ (29,933,368)**	$(29,598,631)
Weighted average number of common shares outstanding	**138,504,911**	138,504,911
Basic and diluted loss per share	**$(0.00)**	$(0.00)

ARMISTICE RESOURCES LTD.

STATEMENT OF CASH FLOWS

THREE MONTH PERIODS ENDED SEPTEMBER 30, 2005 AND 2004

	2005	2004
OPERATING ACTIVITIES		
LOSS	**$ (83,147)**	$ (89,445)
ADD ITEMS NOT REQUIRING A CASH OUTLAY		
Amortization	**1,883**	1,139
DECREASE (INCREASE):		
Sundry assets	**41,404**	(1,823)
INCREASE (DECREASE):		
Accounts payable	**67,636**	(308,205)
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	**27,776**	(398,334)
INVESTING ACTIVITIES		
Investment in mining property	**(26,280)**	(29,573)
Acquisition of property, plant and equipment	**-**	(23,706)
CASH FLOWS USED IN INVESTING ACTIVITIES	**(26,280)**	(53,279)
CHANGE IN CASH DURING THE PERIOD	**1,496**	(451,613)
CASH, beginning of period	**2,885**	798,537
CASH, end of period	**$ 4,381**	$ 346,924

ARMISTICE RESOURCES LTD.

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 audited financial statements including the notes thereto for the year ended June 30, 2005.

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. 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 are recorded at cost. Amortization is being provided for on the declining balance basis using the following rates:

Buildings	4%
Computers	45%
Vehicle	30%

2. PROPERTY, PLANT AND EQUIPMENT

	COST	ACCUMULATED AMORTIZATION	Net **SEPTEMBER 30 2005**	JUNE 30 2005
Land and buildings	$ 35,000	$ 11,255	**$ 23,745**	$ 23,985
Computers	3,185	737	**2,448**	2,759
Vehicle	20,520	4,082	**16,438**	17,771
Totals	$ 67,567	$ 24,936	**$ 42,631**	$ 44,515

Depreciation expense for the period amounted to $1,883 (2005 - $1,139).

3. MINING PROPERTY

Balance, beginning of period	$ 8,951,524
Property repairs and maintenance	4,706
Royalties	21,574
Balance, end of period	$ 8,977,804

4. RELATED PARTY TRANSACTIONS

During the quarter, the Company paid directors of the company for consulting services in the amount of $30,000 (September 30, 2004 - $29,750). At September 30, 2005 $259,966 was owing to directors and related parties (2004 - $29,750).

These transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

5. 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 $21,574.

6. CEASE TRADE ORDER AND SUBSEQUENT EVENTS

The Ontario Securities Commission (the "Commission") issued a cease trade order on June 6, 2003. On May 6, 2004, the Commission granted a partial revocation of the cease trade order in order to allow the Company to proceed with the terms of the Omnibus Agreement. On August 11, 2005, the Commission granted a full revocation of the cease trade order in Ontario. Similar revocation orders were made in Quebec on September 28, 2005, in Alberta on October 25, 2005, and in British Columbia on November 3, 2005.