



Mr. Todd Morgan
Armistice Resources Corp
6 Al Wende Avenue
Kirkland Lake
ON
P2N 3K4
Canada

Our Ref: 1391

Your Ref:

Date: July 8, 2009

Via: email:todd.morgan@armistice.ca

Dear Mr. Morgan:

Re: McGarry Project Review

Scott Wilson Roscoe Postle Associates Inc. (Scott Wilson RPA) was retained by Armistice Resources Corp. (Armistice) to review the technical data on the McGarry Project and assist Armistice with the description of the exploration potential of the property. We understand that the letter report will be used as part of the information supplied by Armistice for a potential financing of further exploration on the McGarry Property.

Bernard Salmon, ing., Scott Wilson RPA General Manager, Quebec, and Petr Pelz, geo., Senior Consulting Geologist, Scott Wilson RPA, visited the Kirkland Lake office of Armistice on June 11, 2009, to review data with Mr. Erik Andersen of Armistice.

INTRODUCTION

The McGarry Project is located less than a kilometre west of the town of Virginiatown and approximately 40 kilometres east of the town of Kirkland Lake in northeastern Ontario. The McGarry Project consists of 33 contiguous, patented mining claims and mining licences of occupation totalling 1,134.6 acres with surface rights on a majority of the claims totalling 975.56 acres.

The Property is situated within the Larder Lake Mining Division and adjoins to the west of the past-producing Kerr Addison Mine property and to the east of the Bear Lake Gold Ltd. Property, which is currently being drilled with significant results being reported. Production from the Kerr Addison Mine totalled approximately 12 million ounces of gold from 41 million tons of ore over its 58 year operating life. Armistice has identified a mineralized system at a depth of 2,200 feet on the McGarry Project, which is similar to that of the adjacent Kerr Addison property.

The Project includes a mining plant consisting of a three compartment vertical shaft to a depth of 2,290 feet below surface, a 10 foot double drum hoist capable of operating to depths of 4,200 feet, a 105 foot steel headframe, a hoist/compressor building, a dry/shop building and an electric power substation. The shaft has stations cut at 200 foot level intervals and established levels at 525, 650, 1,250, 1,650, 2,050 and 2,250 feet below surface. The most extensive level is 2250 which extends 2,700 feet west of the shaft and 400 feet east.

Extensive underground exploration has taken place on the Armistice property in the past, including underground and surface diamond drilling, underground exploration and test mining of mineralized



lenses, and deep drill testing to about 5,000 feet below surface. Figure 1 is a schematic longitudinal section that shows pierce points of drill holes through the general mineralized package.

The hoist at the McGarry shaft is reported by Armistice to be capable of operating to a depth of 4,400 feet to 4,500 feet below surface. This depth is shown on Figure 1 for reference. As noted above, the present shaft depth is 2,290 feet.

RECENT EXPLORATION

Armistice completed an underground exploration campaign during 2007-2008. The work was carried out entirely on the 2250 level. It consisted of 44,500 feet of underground diamond drilling; 2,408 feet of drifting; 130 feet of raising; bulk sampling from 34 drift rounds; and trial mining from two test stopes. In addition, metallurgical testing, and a preliminary assessment (scoping study) by Python Mining Consultants (Python) were completed. Currently, there are no drills on site. The mine is currently on standby and there is underground access.

Armistice completed an updated Mineral Resource Estimate and NI 43-101 Technical Report in April 2009. The updated Mineral Resource Estimate is presented in the table below. The general area of the mineral resources is shown on Figure 1.

Undiluted Mineral Resource Estimate – April 8, 2009

| Mineral Resource Category | Tons (short tons) | Cut to 1.50 oz/t | | Uncut | |
|------------------------------------|-------------------|-------------------|----------------|-------------------|----------------|
| | | Grade (oz/t gold) | Gold (oz) | Grade (oz/t gold) | Gold (oz) |
| Indicated | | | | | |
| Above 2300 elevation (all zones) | 374,000 | 0.22 | 82,000 | 0.25 | 93,000 |
| Below 2300 elevation (all zones) | 118,000 | 0.25 | 30,000 | 0.26 | 30,000 |
| Total Indicated (all zones) | 492,000 | 0.23 | 112,000 | 0.25 | 123,000 |
| Inferred | | | | | |
| Above 2300 elevation (all zones) | 59,000 | 0.17 | 10,000 | 0.19 | 11,000 |
| Below 2300 elevation (all zones) | 113,000 | 0.16 | 19,000 | 0.16 | 19,000 |
| Total Inferred (all zones) | 172,000 | 0.17 | 29,000 | 0.17 | 30,000 |

- Mineral resources estimated according to CIM definition standards (2005).
- A 0.10 oz/t gold cut-off grade was used with high-grade values uncapped and capped at 1.5 oz/t gold.

Scott Wilson RPA has not reviewed the resource estimate in detail but, based on our brief review, offers the following comments. These comments are similar to those in the NI43-101 technical report on the property dated April 2009 and filed on SEDAR.

- The resources are comprised of numerous small lenses or shoots and their continuity between sections is not well demonstrated.
- More refinement of the geological interpretation is required. A visual guide for mineralized zones should be developed, if possible. A broad envelope at a low grade cutoff should be interpreted on cross sections and longitudinal sections to guide interpretation of higher grade shoots.
- More detailed drilling would be required to confirm and outline the lenses in more detail for mine planning.
- Much development would be required to access and prepare the mineral resource blocks for mining.



EXPLORATION POTENTIAL

In the opinion of Scott Wilson RPA, there is exploration potential on the property in several areas:

- West and east of the shaft between surface and the 2250 level. There is very little past drilling in this area. We recommend that the historic data in that area be recompiled prior to commencement of the shallow drilling program.
- At depth below 4,000 feet for Kerr Addison type mineralization. Hole 22-107C returned 0.22 oz/ton Au over an estimated true width of 3.0 feet at a depth of 4,800 feet below surface, along with three shorter intersections in flow-type mineralization. Hole 22-66E returned 0.10 oz/ton Au over an estimated true width of 2.0 feet at a depth of 5,560 feet below surface in flow-type mineralization. These are the two deepest holes on the property. All previous holes in this area did not reach their intended targets. In addition, the deep holes will provide a more complete picture of the geology to the north.
- Numerous surface showings and past shallow drilling from surface returned anomalous gold values. A 2,000 foot underground hole is planned to test this.

PROPOSED 2009 EXPLORATION PROGRAM

Armistice has proposed a program of diamond drilling to explore for additional mineral resources on the McGarry Property. The program has three aspects, summarized below along with our comments.

1. Shallow drilling from surface to test the area west and east of the shaft from surface to the 1250 level where relatively little drilling has been done in the past (Figure 1). This involves 17 holes. In the opinion of Scott Wilson RPA, there appears to be good potential in this area, and the shallow drilling program appears to be reasonable.
2. Deep drilling from surface to test the potential for Kerr Addison type mineralization at a depth of about 5,000 feet below surface. Armistice proposes to drill two pilot holes and drill four or five wedges from each, resulting in a pattern of intercepts like that shown in Figure 1. In the opinion of Scott Wilson RPA, the deep drilling program is justified, but all of the wedges should only be drilled if encouraging results are obtained in the pilot hole and one or two wedges. This is because the size of an economic target would be relatively large at this depth below surface; in the order of 1,000 feet by 1,000 feet on longitudinal section.
3. One 2,000 foot underground hole from the 2250 level to test below the Mill Zone area of scattered assays at surface south of the McGarry Shaft. This hole is intended to test anomalous gold values intersected in shallow drill holes at depth.

The Armistice budget estimate for the 2009 drilling program totals \$2,000,000 and includes assaying, drill mobilization, core storage racks and personnel time. In the opinion of Scott Wilson RPA, the budget estimate appears reasonable, but we recommend adding a 20% to 25% contingency. Some allowance should be made in the budget for compiling all of the underground and drilling data into a digital form that can be manipulated in 3D to assist in planning future work.



We hope that this letter report meets your current needs. Please do not hesitate to contact us if you need further information or have any questions.

Sincerely,
Scott Wilson Roscoe Postle Associates Inc.

A handwritten signature in black ink that reads "Bernard Salmon".

Bernard Salmon, ing.
General Manager, Quebec
bernard.salmon@scottwilson.com

A handwritten signature in blue ink that reads "Deborah McCombe".

Deborah McCombe, P. Geo.
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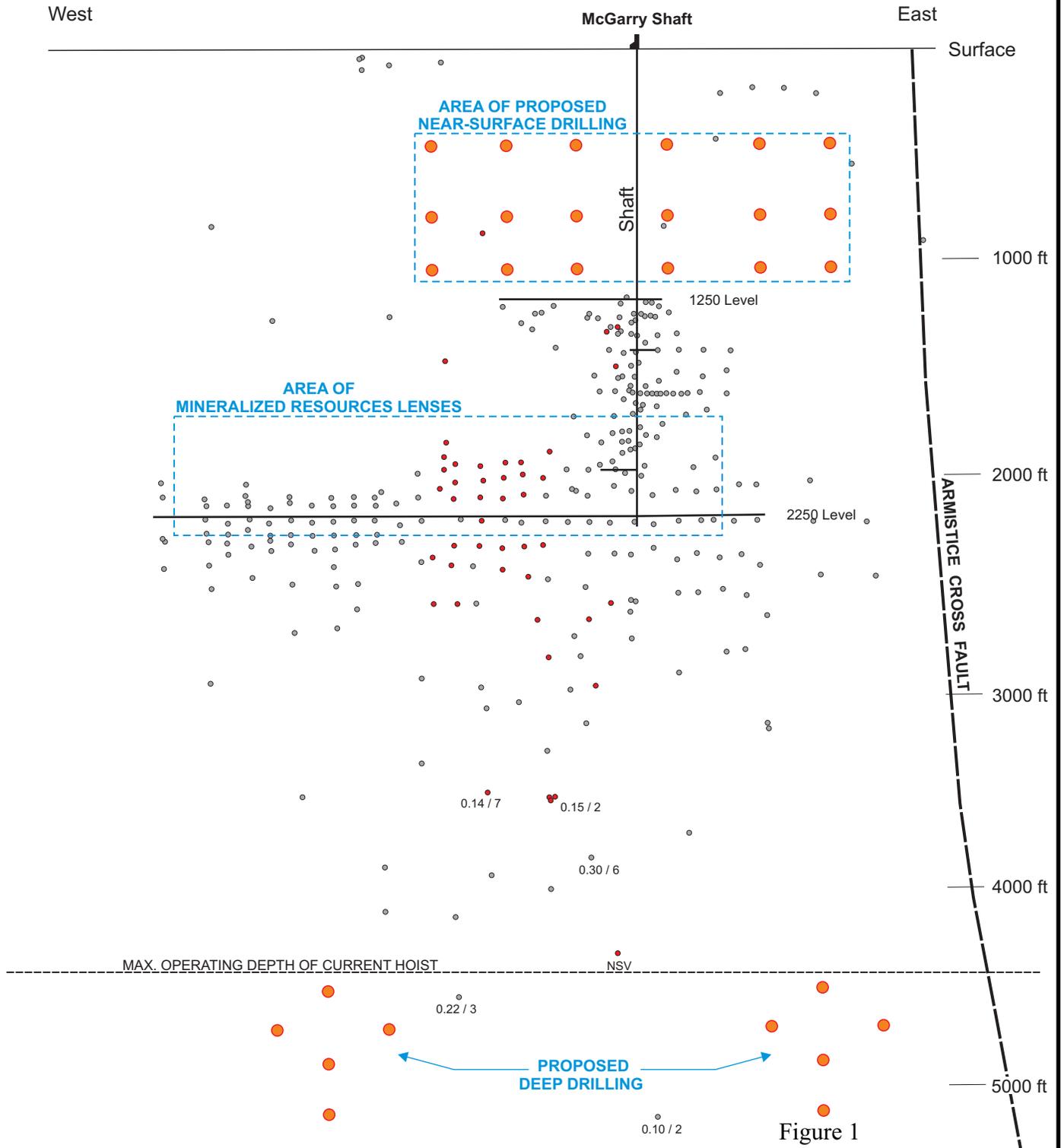
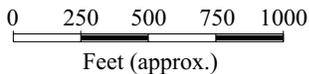


Figure 1



Legend:

| | |
|--|----------------------------|
| | Hole Drilled 2007 - 2008 |
| | Hole Drilled Prior to 2007 |
| | Proposed Drilling |

NOTE:
Flow-type Intersection:
 oz/ton Gold / True Width in Feet
 NSV = No Significant Values

Armistice Resources Corp.

McGarry Gold Project
 McGarry Twp (Virginiatown), Ontario

**Schematic Long Section
 in Plane of Mineralized Zones**