



## **PRESS RELEASE**

**ARMISTICE RESOURCES CORP.**

**For Immediate Release**

### **Armistice Resources Closes Second Tranche of Equity Offering**

- Financing to be used for exploration on the McGarry and Kerr-Addison properties, and for additional possible property acquisitions
- Company now focusing on completing previously announced \$3 million bridge loan from Sprott Resource Lending Partnership

Toronto, ON –January 28, 2011 – Armistice Resources Corp. (TSX: AZ) today announced that it has closed a second tranche of the private-placement equity offering that it announced on December 21, 2010. The second tranche consists of an issue of 5,035,777 of units at \$0.45 per unit for gross proceeds of \$2,266,099. Each unit comprises one common share and one-half of one common share purchase warrant. Each whole warrant will be exercisable into one common share at a price of \$0.55 for a period of 18 months from the closing date of the offering.

As part of the first tranche closing, announced on December 31, 2010, Armistice issued a total of 6,190,000 flow-through shares at \$0.50 per flow-through share for gross proceeds of approximately \$3,095,000.

The financing, which is being made on a best-efforts basis, is being led by D&D Securities Inc. (D&D) as the lead agent for a syndicate that includes Northern Securities Inc.

The financing will provide Armistice funding to move its McGarry Mine gold project toward production in the 2011 fourth quarter and also will provide the company with the ability to launch a significant exploration program on both the McGarry property and the adjacent Kerr-Addison property for which it has signed a definitive five-year option agreement for the purchase of up to 100 percent of the mineral rights, and possibly to acquire additional property.

“With this second tranche of our planned equity offering now completed, we will focus on completing the previously announced \$3 million bridge loan,” said Todd J. Morgan, Armistice’s President and Chief Executive Officer.

The bridge loan is to be provided through Sprott Resource Lending Partnership (SRLP). As previously announced, under the proposed terms of the bridge loan, it would be due and payable on or before November 30, 2011 and Armistice would have the right to pre-pay the bridge loan without penalty. Interest on the bridge loan would be 12% per

annum, compounded monthly (effective annual rate of 12.68%). It is proposed that Armistice will pay SRLP a bonus payment at closing of \$300,000 in cash or common shares of Armistice, at a price equal to a 10% discount to the 10-day weighted average closing price of the common shares on the TSX prior to the date of the signing of the engagement letter. The bridge loan is subject to the satisfaction of standard conditions, and the completed execution of the option agreement to acquire the Kerr-Addison property.

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

Armistice Resources, a Canadian-based exploration and development company, expects to begin gold production in the 2011 fourth quarter from its McGarry 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 Kerr-Addison Gold Mine that has 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. The McGarry Mine is fully permitted and all equipment and systems at the site have been brought up to standards, including its installed mining plant. Armistice Resources is listed on the Toronto Stock Exchange (Symbol: AZ). To find out more about Armistice Resources, 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 completion of the equity offering and current expectations on the timing of the commencement of production. 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; 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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