



PRESS RELEASE

ARMISTICE RESOURCES CORP.

For Immediate Release

Armistice Resources Closes \$3 million Bridge Loan and Executes Term Sheet for \$15 Million Senior Secured Gold Stream Debt Facility

- Waterton Global Value, L.P. to provide bridge loan and financing facility
- Armistice considers proposed new gold facility to be best fit for McGarry Mine gold project
- Armistice is moving forward with pre-production work on McGarry Mine gold project toward starting production in 2011 fourth quarter

Toronto, ON – February 22, 2011 – Armistice Resources Corp. (TSX: AZ), which expects to begin gold production in the 2011 fourth quarter from its McGarry Mine in the Kirkland Lake area of northeastern Ontario, today announced that it has closed a \$3 million bridge loan and executed a term sheet for a \$15 million Senior Secured Gold Stream Debt Facility with Waterton Global Value, L.P. (Waterton).

Under the terms of the bridge loan, Armistice has the right to pre-pay the bridge loan without penalty. Interest on the bridge loan is 12% per annum, compounded monthly (effective annual rate of 12.68%). Armistice paid Waterton a \$30,000 structuring fee and a bonus payment of \$300,000, to be payable, subject to regulatory approvals, by the issuance to Waterton of 754,330 common shares of Armistice. This bonus payment will be subject to a maximum statutory hold period of four months and one day from the date of issue.

Under the terms of the proposed gold facility, Armistice will be able to access the \$15 million of funds in three tranches. The first tranche of \$7 million is to be provided by Waterton immediately on the initial closing date of the facility agreement, expected to take place within 60 days. The second tranche of \$4 million will be accessible five months after the initial closing date, subject to Armistice's satisfaction of certain development and processing targets. The third tranche of \$4 million will be available nine months following the initial closing date, again subject to Armistice's satisfaction of certain development and processing targets.

Armistice has agreed to apply a portion of the first tranche drawn under the Gold Stream Debt Facility to repay in full any and all amounts outstanding under the \$3,000,000 bridge loan provided by Waterton.

As the result of the agreements with Waterton, Armistice will not be proceeding with the previously announced arrangements with Sprott Resources Lending Partnership (SRLP) for a proposed \$3 million bridge loan and \$11 million project loan facility. Armistice expects to pay SRLP a fee of \$30,000 for the termination of the SRLP bridge loan agreement in addition to any legal fees and expenses incurred by SRLP.

“We appreciated SRLP’s interest in Armistice. However, in the interest of our shareholders, we felt compelled to consider other funding proposals that might be a better fit. The facility proposed by Waterton will provide Armistice with access to the additional capital which we need for the McGarry project,” Mr. Morgan said.

Terms of the Gold Facility

Under the terms of the facility, any tranche drawn shall be repaid by Armistice to Waterton in monthly cash instalments on the last business day of each calendar month. Such payments will commence on the last business day of the tenth month after the initial closing date and will end on the last business day of the twenty-first month after the initial closing date or twenty-third month after the initial closing date, as applicable under the agreement.

The monthly payments shall be made by Armistice in cash based on notional gold ounces. The amount of cash in lieu of the actual delivery of gold ounces is to be determined based on a formula described in the agreement. The key factors in determining the cash to be paid are based on a “Reference Gold Price”. The Reference Gold Price shall be determined on each monthly repayment date and shall be the higher of (i) the 30-day average settlement price of gold on the London Bullion Market Association, PM Fix (Bloomberg: GoldLNPM Index), or (ii) the prior-day settlement price of gold on the London Bullion Market Association, PM Fix (Bloomberg: GoldLNPM Index).

If the Reference Gold Price is less than US\$1,050 per ounce, the gold price shall be such Reference Gold Price. If the Reference Gold Price is equal to or greater than US\$1,050 per ounce and less than US\$1,300 per ounce, the Gold Price shall be US\$1,050. If the Reference Gold Price is equal to or greater than US\$1,300 per ounce, the Gold Price shall be (i) US\$1,050, plus (ii) 0.85 times the difference between the Reference Gold Price and \$1300 per ounce.

At any time, Armistice may prepay the facility in whole or in part on five business days prior notice based on provisions in the agreement. Armistice guarantees a minimum return of 5% per annum on any tranche drawn down, excluding for this calculation the value of bonus shares to be paid to Waterton. The minimum rate of return shall be calculated on the final maturity date or any prepayment date of the facility.

A structuring fee equal to 2% of the aggregate amount of the facility shall be payable by Armistice to Waterton in cash upon the signing of the agreement. Armistice also shall make a non-refundable bonus payment to Waterton in the amount of (i) \$1,200,000, if the first tranche is funded by Waterton within 60 days of the date of the term sheet, or (ii) \$1,500,000 if the first tranche is funded by Waterton after such date. This amount shall be paid, at the option of Armistice, in cash, or subject to applicable regulatory approvals, common shares of Armistice (Bonus Shares). If paid in Bonus Shares, the price of each Bonus Share shall be equal to the lesser of (i) 90% of the average 10-day weighted average price (WAP) of Armistice's common shares on the Toronto Stock Exchange (TSX) prior to the issuance date of such Bonus Shares, and (ii) 90% of the average 10-day VWAP of Armistice's common shares on the TSX prior to the date of the term sheet. The Bonus Shares shall be subject to a four-month hold period, as required by applicable securities laws.

Waterton shall be granted the right to purchase (the Gold Purchase Right) all of the gold produced by Armistice from the McGarry Mine during the Purchase Term at a price per ounce that is equal to an Agreed Discount to the 30-day average settlement price of gold on the London Bullion Market Association, PM Fix (Bloomberg: GoldLNPM Index), where such price per ounce and 30-day average price shall be calculated on the dates described in the definitive Gold Supply Agreement. The Agreed Discount shall be (i) 1.50% if Armistice only draws the first tranche, (ii) 2.50% if Armistice draws the first and the second tranches, and (iii) 3.00% if Armistice draws all three tranches.

Waterton may exercise the Gold Purchase Right on any business day during the period commencing on the first business day immediately after the date on which Armistice repays in full all amounts outstanding under the Gold Stream Debt Facility (the Final Repayment Date) and ending on the date that is three years after such Final Repayment Date (the Purchase Term).

In addition to the payments to Waterton, the company will pay a fee of 1.5% of the principal amount of the funds drawn to the firm that acted as placement agent on the date that any tranche is drawn under the facility.

"Armistice has been moving forward with our pre-production plans for the McGarry Mine gold project and also for the exploration work to be done on the adjacent Kerr-Addison property," Mr. Morgan said. "We have begun hiring additional staff and also have ordered a diamond drill which we expect to be delivered within the next two weeks. We are on track to be producing gold in the 2011 fourth quarter, as previously stated."

About Waterton Global Value L.P.

Waterton Global Value, L.P. is an affiliate of Water Global Resource Management, and is a resource-focused investment fund launched in 2010 in Toronto. Waterton Global provides debt facilities for junior resource companies that operate in the mining, precious metals, base metals, and oil and natural gas sectors. Since its inception in 2000, the Waterton fund family has become a leading investor in private and public companies in North America, Europe, and Asia. Waterton Global seeks to invest in companies that offer world-class potential with strong management teams, high-quality assets, effective capital structures, and long-term growth prospects.

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) and currently has 101,042,006 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 completion of the financing facility 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 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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