



## PRESS RELEASE

ARMISTICE RESOURCES CORP.

For Immediate Release

### **Armistice Resources Closes \$15 Million Senior Secured Gold Stream Debt Facility with Waterton Global Value**

- Financing provides Armistice with sufficient capital to fund its mining and production programs on the McGarry Mine property
- Pre-production work underway on McGarry Mine gold project toward starting production in 2011 fourth quarter
- Company's initial target is production rate of 25,000 ounces of gold per year from the McGarry Mine
- Diamond drill on site and being prepared to begin exploration drilling on Kerr-Addison property as part of previously announced \$2.5 million drilling program

Toronto, ON – March 28, 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 the first tranche of its previously announced proposed \$15 million Senior Secured Gold Stream Debt Facility with Waterton Global Value, L.P. (Waterton).

The terms of the new gold facility are as announced in a news release issued on February 22, 2011. Armistice will have access to the \$15 million of funds in three tranches. Waterton is providing immediate access to Armistice for the first tranche of \$7 million. The second tranche of \$4 million will be accessible by Armistice five months from today's 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 today's closing date, again subject to Armistice's satisfaction of certain development and processing targets.

"The completion of this financing provides Armistice with sufficient capital to fund our mining and gold production plans on our McGarry Mine gold property through at least 2012," said Todd J. Morgan, President and Chief Executive Officer. "Once we are in production, we expect cash flow to provide any additional capital required to grow our operations and company. Our initial production target is to be producing at a rate of 25,000 ounces of gold per year from the McGarry Mine."

As also previously announced, in February 2011, Waterton provided Armistice a \$3 million bridge loan. Armistice 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 million bridge loan. Under the terms of the bridge loan, Armistice has the right to pre-pay the bridge loan without penalty.

"Armistice has been busy moving forward with our pre-production plans for the McGarry Mine gold project's underground mining operations and also for the exploration work to

be done on the adjacent Kerr-Addison property,” said Todd J. Morgan, President and Chief Executive Officer. “We are in the process of hiring people and are on track to be in gold production in this year’s fourth quarter. In addition, we are nearly ready to commence our announced \$2.5 million surface diamond drilling program on the McGarry and Kerr-Addison properties. We’ve received the diamond drill and are readying it to begin drilling, initially on the Kerr-Addison property.”

### **Qualified Person**

Erik Andersen, P.Eng., Vice-President and Chief Operating Officer of Armistice Resources and a Qualified Person as defined by National Instrument 43-101, has reviewed and approved this news release.

### **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 104,095,441 common shares issued and outstanding. 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 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](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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