



## PRESS RELEASE

ARMISTICE RESOURCES CORP.

For Immediate Release

### **Armistice Resources Provides Update on Gold Mining Pre-Production at McGarry Mine**

- Pre-production operations ramping up as company remains on target to start gold production in 2011 calendar fourth quarter
- Initial focus is on upgrading all mine infrastructure to “production ready”
- Exploration drilling program continuing on adjacent Kerr-Addison property with analysis of first results expected in late May or early June
- Planned operations on McGarry and exploration drilling on the Kerr-Addison properties are fully funded
- Preliminary analysis of the drill core from the first eight holes of the Kerr Mill Zone drill program is consistent with expectations

Toronto, ON – May 17, 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 provided a progress report on its pre-production operations at the mine

“We are very pleased with the progress of the extensive pre-production operations that we are undertaking at the McGarry Mine. We remain on track to achieve our target of starting gold production in this year’s fourth quarter,” said Todd J. Morgan, President and Chief Executive Officer.

“Our pre-production development work is tracking well with our plan. Once we have completed this, we will be in position to mine initially at a rate of 350 tons per day, which after a year we expect to increase to about 600 tons per day. This is what we are calling our Phase 1 of the McGarry gold mining project and we expect it will run about 4.5 years, prior to proceeding with a second phase of development and mining at the site,” said Mr. Morgan

“With the ramping up of the pre-production and drilling program underway, and the continuing hiring of additional mining and exploration personnel, our McGarry and Kerr-Addison properties have become a beehive of activity. Armistice’s employment now exceeds 30 people and will continue to increase as we approach production start-up. By year-end, we expect to have as many as 100 people working for Armistice. Despite the level of mining activity in Canada, we have attracted a core of highly skilled miners and tradesmen balanced with excellent new recruits.

Following are some selected highlights of the pre-production progress that we have made on the McGarry Mine site,” Mr. Morgan reported.

- Armistice commenced active underground work in late March. To date, the company has focused on upgrading the McGarry Mine's infrastructure. The first drill and blast activity took place in mid-April. Work has included installing two new hoist ropes, engineering design work for an improved ore loading facility on 2250 Level, and engineering design work to move from single to double skipping of ore and waste.
- The powder and cap magazines have been relocated from older workings to the main 2250 Level that will provide more favorable environmental conditions and easier access.
- The company completed a review and design for the raise system that will provide a second escapeway from the mine, which is required prior to commencing production operations. It also will provide much improved ventilation in the mine. Armistice located an Alimak Raise Climber that is being refurbished at a significant saving over purchasing new. The company will take delivery of the unit in June.
- Armistice has on order an underground diamond drill rig that can drill short holes (up to 400 feet) for ore outline definition. The company will be ordering a second rig when the 2050 Level is ready for drilling.
- Armistice has retained Golder Associates Ltd. to conduct a rock mechanics assessment of the mine. The assessment will assist in defining stoping parameters and ground support policy. No significant issues are anticipated.
- In May, Armistice initiated development drifting on the 2250 Level from the 260N Zone off the 600W North drift. This development drifting is part of the planned access and definition drilling drift on this level. Following outlining by definition drilling, ore bodies will be accessed for stoping from this drift and it will form part of the haulage network on the level.
- The company has erected a new, modern core shack on site. Office space is being erected that will incorporate in-floor heating using waste heat from the hoist room.

## **Drilling Program**

"We also are pleased with the progress being made on our announced \$2.5 million surface diamond drilling program on the McGarry and Kerr-Addison properties. The first holes are being drilled on the Kerr-Addison property in the Kerr Mill Zone at the north end of the Northeast Arm of Larder Lake, an area where we have identified gold zones that we believe offer the potential for economic mining activities in the future.

"By the end of April, we had completed drilling eight holes, totaling 8,700 feet. Preliminary analysis of the drill core from these first eight holes is consistent with expectations, but it is premature to make any definitive statements about the findings. We expect to announce our analysis of this initial drilling in late May or early June, depending on receipt of all assay results. It is Armistice's policy to announce drill results in batches from time to time as is appropriate for the particular stage of progress," he continued.

## **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 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 104,924,771 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 current expectations on the timing of the commencement of production and the rate of production, if commenced. 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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