



PRESS RELEASE

ARMISTICE RESOURCES CORP.

For Immediate Release

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Armistice Resources Negotiates Early Repayment of \$15 Million Senior Secured Gold Stream Debt Facility and Gold Supply Agreement with Waterton Global

- Armistice to repay all obligations under the debt facility and terminate trailing gold supply agreement by paying Waterton \$7.0 million in cash and issuing 24 million common shares
- Termination of the gold supply agreement will result in financial savings to Armistice as the company begins and subsequently ramps up gold production

Toronto, ON – October 25, 2011 – Armistice Resources Corp. (TSX: AZ) (Armistice or the company) today announced that it has entered into a discharge and termination agreement with Waterton Global Value, L.P. (Waterton) with respect to the \$15 million Senior Secured Gold Stream Debt Facility (the Facility) that Waterton made available to Armistice.

The agreement is subject to completion of the company's previously announced equity offering. As announced on September 15, 2011 and October 3, 2011, Armistice is undertaking an equity offering consisting of a maximum of 80,000,000 units (the Units) at a price of C\$0.25 per Unit and up to 17,900,000 flow-through common shares at a price of C\$0.28 per flow-through share for aggregate gross proceeds of up to C\$25,012,000. Each Unit will consist of one common share of Armistice and one-half of one common share purchase warrant. Each warrant will entitle the holder to purchase one common share of Armistice at an exercise price of C\$0.35 per common share for a period of 36 months following the date of closing of the offering.

Canaccord Genuity Corp. is acting as the Agent for the offering, with BayFront Capital Partners Ltd. included in the selling group. The offering is expected to close on or around October 31, 2011.

Under the agreement with Waterton, Armistice has agreed to repay in full all of its obligations under the Facility. All security granted by Armistice to Waterton shall be discharged in full and the Gold Supply Agreement will be terminated.

In consideration of the full and final release of the security under the Credit Facility Agreement and the termination of the Gold Supply Agreement, upon completion of the

equity offering, Armistice will pay to Waterton \$7.0 million in cash and issue 24,000,000 Common Shares. The 24,000,000 common shares issued to Waterton will be subject to a statutory hold period of four months and one day from the closing of the issuance. The equity offering is conditional upon the termination of the Credit Facility and the Gold Supply Agreement, the discharge of all security granted by the company, and the issuance of the 24,000,000 Common Shares to Waterton. The equity offering and the issuance of the 24,000,000 shares to Waterton are expected to close concurrently.

On March 24, 2011, Armistice entered into a definitive agreement with Waterton with respect to the \$15 million Senior Secured Gold Stream Debt Facility, comprising a credit agreement and a gold supply agreement, and closed on the first tranche of \$7.0 million. Armistice used a portion of the first-tranche funds to repay a \$3.0 million bridge loan that Waterton had extended to the company in February 2011. Second and third tranches of \$4.0 million each were to be accessible by Armistice subject to the company's satisfaction of certain development and processing targets. Armistice has not drawn down further on the Facility.

Armistice has agreed to issue 600,000 Common Shares to each of Canaccord Genuity Corp. and BayFront Capital Partners Ltd., subject to approval of the Toronto Stock Exchange, as consideration for their role as co-financial advisors in providing general financial and strategic advice to the company in negotiating the discharge and settlement agreement with Waterton.

"At the time that we entered into the debt facility with Waterton, it appeared to be an attractive and appropriate financing opportunity for Armistice," said Todd J. Morgan, President and Chief Executive Officer. "However, we subsequently realized, with input of our shareholders, that financing the company's growth through an equity offering and being debt-free is a more preferable option for Armistice, as an emerging mining company."

The issuance of Common Shares to Waterton, Canaccord Genuity Corp., and BayFront Capital Partners Ltd. has been conditionally approved by the TSX and are subject to the company fulfilling the conditions to such issuance.

About Armistice Resources Corp.

Armistice is an exploration company engaged in the acquisition and exploration of gold properties. The company currently owns the rights to a mineral property (the McGarry Project), which is an underground gold project currently in pre-production located in the southwestern part of McGarry Township, in north-eastern Ontario, on the major geological structure referred to as the Larder Lake Break, immediately west of the municipality of Virginiatown.

On December 23, 2010, the company entered into a five-year option agreement to acquire up to a 100% interest in a property (the Kerr Addison Property) which adjoins Armistice's McGarry Project to the east. The former mine on the Kerr Addison Property (the Former Kerr Addison Mine) produced approximately 11 million ounces of gold during a 58-year operating life from 1938 to 1996. Gold-bearing zones within its extensive mineralized system were mined from surface to a depth of 4,500 feet, and over a strike length of about 3,200 feet. The Former Kerr Addison Mine was in production right to the time that creditors forced a foreclosure during a period of low gold prices. Armistice is listed on the TSX and currently has 104,924,771 common

shares issued and outstanding. To find out more about Armistice, please visit the company's website at 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 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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