

FORM 7

MONTHLY PROGRESS REPORT

Name of CNSX Issuer: Armadillo Resources Ltd. (the "Issuer")

Trading Symbol: ARO

Number of Outstanding Listed Securities: 94,281,921

Date: September 5, 2012

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the CNSX Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the CNSX.ca website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the CNSX Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. The Issuer closed the non-brokered private placement announced on July 27, 2012. The Issuer has issued 17,740,000 units at a price of \$0.05 per unit, for gross proceeds of \$887,000, each unit consists of one common shares and one transferable share purchase warrant, each warrant entitles the holder to purchase one additional common share at a price of \$0.10 for a period of one year. The Issuer also issued 119,000 common shares in connection with the private placement as a finder's fee. A new company insider was created as a result of the private placement.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated September 5, 2012

Les Kjosness
Name of Director or Senior
Officer

"Les Kjosness"
Signature
President
Official Capacity

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| Issuer Details | For Month | Date of Report |
| Name of Issuer | End | YY/MM/D |
| Armadillo Resources Ltd. | Aug 31, 2012 | 2012/09/04 |
| Issuer Address | | |
| #411 – 470 Granville Street | | |
| City/Province/Postal Code | Issuer Fax No. | Issuer Telephone No. |
| Vancouver, BC | (604)408-3335 | (604)408-6500 |
| Contact Name | Contact Position | Contact Telephone No. |
| Les Kjosness | President | (604)408-6500 |
| Contact Email Address | Web Site Address | |
| les@armadilloresources.com | www.armadilloresources.com | |