

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: October 4, 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. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

The Issuer is an exploration stage company whose primary activities are acquiring and exploring mineral properties. Currently the Issuer has the following projects: (1) an option to earn a 60% interest in the Waverley-Tangier gold/silver/zinc/lead property in Revelstoke, British Columbia. (2) a 100%

interest in the LD Gold Property located southeast of Atlin, BC, and (3) 100% interest in the Amazon Basin Projects in northern Brazil.

There were no significant developments or operations in the month of September, 2012.

2. Provide a general overview and discussion of the activities of management.

Management is presently concentrating its efforts on raising funds for further development of the Issuer's projects and general working capital.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law. **N/A**
4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

No exploration programs were amended or abandoned in the month of September, 2012.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

None in the month of September, 2012.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

None in the month of September, 2012.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

There were no acquisitions or dispositions of the Issuer's assets in the month of September, 2012.

8. Describe the acquisition of new customers or loss of customers. **N/A**
9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks. **N/A**

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.
The Issuer did not hire, terminate or lay off any employee during the month of September, 2012.
11. Report on any labour disputes and resolutions of those disputes if applicable.
None during the month of September, 2012.
12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.
There were no legal proceedings during the month of September, 2012.
13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.
None during the month of September, 2012.
14. Provide details of any securities issued and options or warrants granted. **None during the month of September, 2012.**

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾

(1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons. **None during the month of September, 2012.**
16. Provide details of any changes in directors, officers or committee members.
There were no changes in directors, officers or committee members during the month of September, 2012.
17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.
Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size to return a profit from production. The marketability of natural resources that may be acquired or discovered by the Issuer will be affected by numerous factors beyond the control of the Issuer. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations. The exact affect of these factors cannot be accurately predicted, but the combination of these factors may result in the Issuer not receiving an adequate return on invested capital. The great majority of exploration projects do not result in the discovery of

commercially mineable deposits of ore. Even if commercial quantities of mineral deposits are discovered by the Issuer, there is no guarantee that a profitable market will exist for the sale of the metals produced.

The development of the Company's properties will depend upon the Issuer's ability to obtain financing through the joint venturing of projects, private placement financing, public financing or other means. There can be no assurance that the Issuer will be successful in obtaining the required financing.

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 October 4, 2012.

Les Kjosness
Name of Director or Senior
Officer

"Les Kjosness"
Signature
President
Official Capacity

Issuer Details Name of Issuer	For Month End	Date of Report YY/MM/D
ARMADILLO RESOURCES LTD.	Sept. 2012	2012/10/04
Issuer Address #411 – 470 Granville Street		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Vancouver, BC V6C 1V5	(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	
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