

NEWS RELEASE

Company Completes Acquisition of Flagstaff Gold Mine, Oregon Historic Data Claims 200,000 ounces gold

Company Terminates Option Agreement re Waverley-Tangier Property

March 25, 2013, Vancouver, BC – (CNSX:ARO) Les Kjosness, President & CEO, is pleased to announce the completion of the acquisition of the Flagstaff Gold Mine near Baker City, Oregon which was announced on November 30, 2012. The property is located one half mile off a paved highway with ready access to rail and power.

Management has just returned from a visit to the site with Dick Coughren, President of Dimari Enterprises LLC of Pasco, Washington. Together they finalized the transfer of the Mine from Dimari to Armadillo. Additionally, negotiations are underway regarding the securing of a mining contractor with the experience required to establish the drift needed to gain access to the existing tunnels of this historic mine site. The Company is also negotiating contracts with Mr. Freddie Quimby, the mining contractor, and Mr. Brian White, the geologist who wrote two of the reports on the Flagstaff mine.

The Company intends to complete an initial program of sampling, trenching, and drilling including an upgrade to the existing tunnels to gain access and verify the existing orebody. After verification, Armadillo will pay US\$50,000.00 and issue Dimari 500,000 common shares of the Company. A further payment of, US \$50,000 per anniversary date or a 25% royalty from production, whichever is the greatest to a maximum total payable of US\$5,000,000 will also be required.

Mr. Quimby in a 2006 report prepared for Dimari , noted there are several veins on the property traced for two miles in the valley. The Flagstaff massive quartz vein at the 360 ft. level consisted of a body 300ft. deep by 300ft. long averaging 1.5 feet wide. A total of 13,500 tons of 0.42 opt au 5,670 ounces was estimated. The Big Ledge vein on the property is exposed at the 260 foot level of the mine for a distance of 520 feet. One stope is opened on this level for a length of 125 feet. Values of 0.89 opt au ton were reported. There is an estimated, 216,666 tons for a total of 192,832 ounces of gold. In addition, to the 360-ft level of the Big Ledge, it is estimated there are 83,333 tons at 0.89 opt gold for an additional 74,166 ounces of gold.

In a 1992 report by Brian G. White, P.Geo, for Hecla Mining Company, he noted; "Underground examination and sampling of the Big Ledge indicated the possibility of an extensive body of this disseminated mineralization, that could average at least 0.20 opt Au across an average width of 15 to 20 feet, and possibly total several million tons and be exploited by underground mining."

More

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The data from the reports previously mentioned was not done by a qualified person and is classified as an historical estimate not as current mineral resources and the issuer is not treating the historical estimate as current mineral resources.

The Flagstaff Mine has a long gold production history having been owned by a French company who owned and operated the mine from 1898 until 1914. Labor disputes disrupted production and the mine permanently closed when the fully timbered double compartment elevator shaft and timbers in the tunnels mysteriously caught on fire.

The Company also reports that it has terminated the option agreement with Silver Phoenix Resources Inc. to acquire a 60% interest in the Waverley-Tangier property in the Revelstoke Mining Division of British Columbia. The Company reached this decision after again reviewing the difficulty in maintaining access to the property due to extreme weather conditions and the difficulty in raising funding for its exploration.

The news and reports are filed on our website at www.armadilloresources.com

On behalf of the Board,

'Les Kjosness'
President and Director

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The CNSX has neither approved nor disapproved of the accuracy of this release. This news release may contain forward-looking statements including but not limited to comments regarding the timing and content of upcoming work programs, geological interpretations, receipt of property titles, potential mineral recovery processes, etc. forward-looking statements address future events and conditions and therefore, involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements.