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NEWS RELEASE

Company Announces \$30 Million Letter of Intent re Joint Venture on Brazil Exploration Project

August 3, 2011, Vancouver, BC – (CNSX:ARO) Les Kjosness, President & CEO, is pleased to announce the Company has entered into the final stages of negotiation with Secured Capital Investment Group of Concord, California, regarding a 70% interest in the Aripuana property, Amazon Basin, Brazil. A Letter of Intent (“LOI”) has been provided to the Company by Secured Capital, indicating a \$5,000,000 cash payment and a \$25,000,000 work program. Management cautions investors this LOI is an expression of interest and is non-binding by both parties. The transaction is subject to any required regulatory approval, third party consents, customary due diligence and a definitive participation agreement. There is no certainty that a binding agreement will be entered into with Secured Capital.

The Company remains the operator at a cost plus 15% mark-up.

“A joint venture with Secured Capital would represent a positive growth in the Company giving us the opportunity to further the exploration of our immense landholdings in Brazil,” says President Kjosness.

Secured Capital Investment Group, a private company headquartered in Concord, California, has 30 days for due diligence to ascertain the joint venture between the two companies fits within their criteria.

Armadillo Resources is focused on developing its Brazilian tenures -- Manicore, Aripuana and Curauai – the three properties located in the southeastern portion of Amazonas State which comprise 35 mineral claims and encompass approximately 671,632 hectares. The primary exploration targets are for gold with some diamond targets. In total, the Company owns approximately 1,370,368 hectares of 164 processos minerals (claims) in the states of Amazonas, Mato Grosso and Rondonia.

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.