

Armada Gold

C o r p o r a t i o n

August 24, 1999

For Immediate Release

ARMADA SELLS ERDMIN COPPER PROJECT

TORONTO, CANADA - Armada Gold Corporation is pleased to announce that it has now completed the sale of its Erdmin Copper Project to Strand Holdings Limited ("SHL"), a Cayman Islands based investment holding company.

The transaction has value to Armada of approximately US\$8 million.

Under the terms of the agreement, SHL will now assume Armada's liability to Marubeni Corporation of approximately US\$5 million in relation to the guarantee of the project loan for the financing of the Phase I plant.

In addition, the purchase price will comprise a further US\$3.025 million of which US\$25,000 has been paid and the remainder of US\$3 million will be paid under the terms of an interest free 5 year note, automatically renewable for additional 5 year periods at the option of SHL. Armada may call for partial payments of the note, on the condition that the production from Phase II is sold at a price exceeding US\$0.90 per pound. The amounts which may be called shall be limited to a maximum of 1% of the net smelter return to Erdmin Co. Ltd. for the production sold at prices exceeding US\$0.90 per pound.

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Marubeni Corporation has consented to the sale as has Armada's previous joint partner, Erdenet Concern Co. Limited.

Armada will now focus its attention on the Baley Gold Project and expects to make an updating announcement in relation to that project and other corporate events within the next two weeks.

The common shares of Armada are listed on The Toronto Stock Exchange and The Alberta Stock Exchange under the symbol AAU, U.S. S.E.C. Exemption 12g3-2(b) 82-3965.

For further information, please contact:

John Hopkins, Chairman, or Derek Fisher, President, at 011 61 8 9322 7177.

“The Toronto Stock Exchange and The Alberta Stock Exchange have neither approved nor disapproved the information contained herein.”

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