

**KARMIN EXPLORATION INC.
CDN SYMBOL: KARM**

PRESS RELEASE

Toronto, Ontario – October 22, 1999 - Karmin Exploration Inc. (“Karmin”) announces that it has entered into an agreement to acquire all of the issued and outstanding securities of Sarmin Exploration Corp. (“Sarmin”), a private Alberta corporation, in consideration for up to 15,800,000 Common Shares of Karmin at a deemed price of \$0.24 per share. The acquisition of Sarmin is subject to receiving shareholder approval all applicable regulatory approvals, as well as *inter alia* the following conditions:

- ! at the time of closing, Sarmin shall have entered into a joint venture agreement with an independent third party relating to the exploration and development of the properties it holds;
- ! the concurrent closing of an equity financing of a minimum of \$500,000 (such funds will be utilized for working capital purposes); and
- ! the approval of the boards of directors of Sarmin and Karmin.

As of the date hereof, none of the foregoing conditions have been satisfied.

The acquisition is a non-arm’s length transaction due to the fact that John Iannozzi, a director of Karmin, is a shareholder of Sarmin and also due to the fact that Robert Ciccarelli, an insider of Karmin by virtue of the shareholdings of Karmin over which he has direction or control, is the sole director and officer as well as controlling shareholder of Sarmin. The acquisition will not result in a change of control.

The approval of shareholders for the acquisition will be sought at the upcoming annual general and special meeting of shareholders to be held on November 26, 1999 at 1600, 407 - 2nd Street S.W., Calgary, Alberta T2P 2Y3 at the hour of 8:00 o’clock a.m. (Calgary time). Shareholders may also attend at, and participate in, the Meeting by attending at the Ketchum/Osgoode Room of The Toronto Board of Trade, 1st Canadian Place, 3rd Floor, Toronto, Ontario M5X 1C1 at the hour of 10:00 o’clock a.m. (Toronto time), on Friday, November 26, 1999.

The primary assets of Sarmin, consist of rights to acquire interests in mineral concessions (the “Falcon DR Interests”) in the Dominican Republic which are currently registered and held by Falconbridge International (Investments) Limited (“FI(IL)”). These rights were established pursuant to an agreement dated September 17, 1999 (the “Falconbridge Agreement”) whereby Sarmin will purchase from FI(IL), its shareholdings in its subsidiaries, Corporacion Minera Dominicana, S.A. (“CMD”) and Recursos del Caribe S.A. (“RDC”).

CMD is a wholly owned subsidiary of FI(I)L which holds the rights to the following concessions:

- (d) 100% interest in Maimon Concession;
- (e) 100% interest in Managua Concession;
- (f) 100% interest in Rincon Abajo Concession;
- (g) 100% interest in Trinidad Concession;
- (h) 100% interest in Jatubey Concession.

RDC is a 82% owned subsidiary of FI(I)L which holds the rights to the following concessions:

- (a) 100% interest in El Anon Concession;
- (b) 100% interest in Los Hojanchos Concession.



Gold will be the primary focus of exploration on the DR Properties (which are disclosed on the foregoing map). The Managua, Rincon Abajo, Trinidad and Los Hojanchos concessions are situated over the Los Ranchos Formation, the host for the world class 30 million ounce Pueblo Viejo gold mine. All properties, that are subject to this agreement are prospective for gold, copper and other base metals.

Pursuant to a valuation dated September 25, 1998, prepared by ACA Howe International Limited (“Howe”), an internationally recognized geological consulting firm independent of Karmin and Sarmin, the four concessions held by Sarmin (the Managua, Maimon, El Anon and Los Hojanchos concessions) are valued (using September 1998 metal prices converted to a gold equivalent translated to an in ground resource value of US\$10 per ounce gold equivalent) to have a fair market value ranging between US\$5.05 million and US\$5.7 million. Since the date of the valuation prepared by Howe, Sarmin acquired three additional concessions that have not undergone an independent valuation.

Karmin Exploration Inc. is currently active in base and precious metal exploration in Brazil. The common shares of the Company are quoted upon The Canadian Dealing Network Inc. under the symbol “KARM”. There are currently 22,196,374 common shares of Karmin outstanding.

Information: Neil Novak (President)
(416) 367 0369

John Iannozzi (Chief Financial Officer)
(416) 337-0581 (ext 222)

**NO REGULATORY AUTHORITY HAS APPROVED NOR DISAPPROVED
THE CONTENT OF THIS PRESS RELEASE**