



For Immediate Release: Tuesday, July 31, 2001

**KARMIN ANNOUNCES DRILLING UNDER WAY
AT ARIPUANA PROJECT IN BRAZIL**

Toronto, July 31 – Karmin Exploration Inc. announced today that joint-venture partner Anglo American Brasil Ltda. has begun the 2001 drill program at the Aripuana base-metal project in Brazil.

The total 2001 program, which also includes considerable ground geophysics, principally electromagnetic and magnetic surveys, is budgeted at a minimum CDN\$1.1 million.

Several mineralized zones have been discovered on the Aripuana property. The Valley deposit, for example, has a resource of 11.65 million tonnes grading 6.29% zinc, 2.25% lead, 65 g/t silver with minor copper and gold credits. Not included in the resource calculation was a 160-meter stepout hole west of Valley that intersected nine meters grading 16.6% zinc, 5.4% lead and 156 grams per tonne silver. A second deposit about one kilometer west of Valley and known as Arex, has an approximate 7-million-tonne resource of a similar grade to Valley in three zones within a single massive sulphide system. Taken together with the Valley, total resources are 18.65 million tonnes of polymetallic mineralization. Polymetallic mineralization enriched in five major metals occurs at several localities over a strike length of over 25 kilometres, confirming the size potential of the Aripuana camp.

Karmin Exploration Inc. is a base and precious metal exploration company, which discovered the Valley volcanogenic massive sulphide mineralization near Aripuana in the state of Mato Grosso, Brazil. In 1999, Karmin formed a joint venture with Anglo American Brasil Ltda. to jointly explore Karmin's and Anglo's adjoining properties, where similar VMS discoveries have been made. Karmin holds 95% of MRA (its Brazilian subsidiary), which holds 30% of the joint venture.

The Company's shares are listed on the Canadian Venture Exchange under the symbol "YKA". Updates, including maps, can be found on the web site: www.karmin.com.

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For Further Information Please Contact:

John Iannozzi, Chief Financial Officer
Karmin Exploration Inc. email@karmin.com

(519) 337-5302 ext. 222

Olav Sveta or Cathy Hume, Investor Relations
Hume, Kieran Inc. olav@humekieran.com

(416) 868-1079

*If you prefer to receive Karmin press releases via e-mail, please advise Brenda Orser
(brenda@humekieran.com)*

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