



## **Karmin Signs Letter of Intent to Acquire Material Coal Interest located in Gippsland Basin of Victoria, Australia**

Toronto Ontario (February 18, 2005). Karmin Exploration Inc. (TSXV-KAR) has signed a letter of intent to acquire a material interest (the "Interest") in an exploration license to explore for, and if commercial quantities of coal are discovered, develop, mine produce and sell Latrobe Valley Brown coals lying in or under exploration license EL4416 of the Gippsland Basin located in Victoria, Australia. Exploration License EL4416 covers in excess of 1,000,000 acres and the requisite National Instrument 43-101 geological report which is being prepared will describe the size and potential of the deposits.

The acquisition of the Interest by Karmin is an arms length transaction and will constitute a reverse take over transaction pursuant to the policies of the TSX Venture Exchange. Accordingly, the transaction will be subject to regulatory, board and shareholder approval.

A detailed press release disclosing the parties, structure, the Interest to be acquired and other details relating to the transaction will be issued as soon as the requisite geological report and other due diligence documentation is satisfactorily reviewed by the parties and the TSX Venture Exchange.

### **FOR FURTHER INFORMATION PLEASE CONTACT:**

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The TSX Venture Exchange neither approves nor disapproves of the information contained in this news release.

**FORWARD-LOOKING STATEMENTS:** Except for statements of historical fact, all statements in this news release -- including, without limitation, statements regarding production estimates and future plans and objectives of Karmin are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate; actual results and future events could differ materially from those anticipated in such statements.