



## **Karmin's Aripuana Zinc Project update: Scoping study and US\$3.5 million program for 2007**

- **Scoping study by AMEC due Q1 2007**
- **2007 budget - US\$3.5 million including underground bulk sample**
- **Drilling in progress**
- **261 MW power station 12 kms from site selling \$0.05/kWh electricity for construction in 2007**

Toronto 21<sup>st</sup> December 2006. Karmin Exploration Incorporated (TSXV.KAR) is pleased to announce an update on their 28.5% owned, free carried Aripuana zinc/copper/lead/gold/silver massive sulphide project in Mato Grosso, Brazil.

Independent Scoping study by AMEC due Q1 2007 The independent engineers, AMEC, are preparing a scoping study on the Arex and Ambrex deposits, which should be completed in the first quarter of 2007. This is the first scoping study ever carried out independently on the property. The study will review the resource base and verify the validity of the numerous drilling programs carried out on the property, plus develop a pro-forma mine plan, and +/- 35% level project economics for a potential mining operation. The massive sulphide deposits contain zinc, copper, lead gold and silver. No NI 43-101 compliant resources have been reported from the project, but results from the 77,400 meters of diamond drilling in 231 holes from 1995 to 2006 have encouraged Votorantim Metais, the operator, to advance to a scoping study, including the first underground development.

Budget for 2007 Votorantim are responsible for all expenditures up to a completed bankable feasibility study, so Karmin is free carried to that point. In December 2006, Votorantim presented to Karmin a development budget for the joint venture for 2007 of US\$3.5 million. This includes plans for a 500 metre underground decline to collect a series of bulk samples for metallurgical purposes, to act as a platform for underground in-fill drilling and to test underground rock conditions. The budget for 2006 was also US\$3.5 million, mainly spent on 11,300 metres of drilling and re-modeling the deposits.

Drilling update There are two drill programs in progress on the property. One rig is investigating potential mineralized extensions east of the Ambrex deposit below Babacu, a 1,700 metre gap between Ambrex and Massaranduba. Karmin discovered the Ambrex, Babacu and Massaranduba deposit in 1995. 30 kilometres to the east at Cafundo, a three hole program is in progress, testing the same target horizon where previous drilling by Anglo American encountered massive sulphide mineralization, and trenching returned



samples up to 5% Lead. Results from these programs will be released as the assays are received. The project has been substantially drilled as follows:

<u>Date</u>	<u>Diamond Drill holes</u>	<u>Total Metres</u>
2006(to date)	26	11,300
2005	34	15,300
2004	25	5,500
Pre- 2004		
Anglo American	95	29,000
Karmin	51	16,300
<b>TOTAL</b>	<b>231</b>	<b>77,400</b>

The 2004 – 2006 drilling covered an extensive scout drilling program plus infill and extensional drilling at Ambrex and Arex. All this data will be incorporated in the AMEC scoping study.

Cheap power in the pipeline In related news, Electro-Norte, a para-statal electricity developer, has announced that they are leading a public/private consortium to construct a 261 Mega-Watt hydroelectric power station at Dardenellos, 12 kilometres from the Aripuana/Arex development. It is developing an existing run-of-river waterfall site, so no dam will be needed. Construction will commence in mid July 2007 with planned full completion for 2010. The contract calls for a sale price to customers of R0.12 (US\$0.05) per kWh. Any mine development at Aripuana would purchase directly from the hydro-electric plant, thus ensuring cheap, abundant power supply to any future development.

### **Karmin and Votorantim**

Karmin Exploration is a mineral exploration company focused on exploration and development in Brazil. Karmin through its subsidiary Mineracao Rio Aripuanã Ltda. holds 28.5% of the Aripuana project and the company is free carried to the completion of a fully independent bankable feasibility study. 70% is owned by Anglo American Corporation who is optioning their interest to Votorantim Metais (a division of the privately-held Votorantim Group), the project operator. Votorantim, the world's 6<sup>th</sup> largest zinc producer, have two zinc smelters, and are currently purchasing between 55% and 60% of their concentrate needs. Their stated objective is to find more zinc resources from their own mines to feed concentrates to their smelters, rather than rely on external mining companies. SGV Merchant Bank owns the remaining 1.5%

A Power Point presentation using data provided by Votorantim Metais will shortly be posted on the Karmin website [www.karmin.com](http://www.karmin.com).



Karmin is publicly traded on the TSX-Venture Exchange under the symbol KAR. The company has 38,453,591 shares outstanding and 40,053,591 fully diluted. William Fisher, P.Geo. President of Karmin, is the designated Qualified Person under NI 43-101. He has reviewed this release for accuracy.

**FOR FURTHER INFORMATION PLEASE CONTACT:**

William (Bill) Fisher P.Geo  
President & CEO, Karmin Exploration  
Tel: +1 (416) 367 0369  
Fax: +1 (416) 868 6467  
[Email: wfisher@karmin.com](mailto:wfisher@karmin.com)  
Website: [www.karmin.com](http://www.karmin.com)

Robert Ciccarelli  
Chairman, Karmin Exploration  
Tel: +1 (416) 367 0369  
Fax: +1 (416) 868 6467  
[Email: rcicc@karmin.com](mailto:rcicc@karmin.com)  
Website: [www.karmin.com](http://www.karmin.com)

*Forward-looking statements*

*This news release contains statements concerning the planned scoping study by AMEC and the anticipated exploration and development activities under the Votorantim development budget which may constitute forward-looking statements or information under applicable securities laws. Also, statements made in this press release that are not historical facts may be considered forward-looking statements.*

*Such forward-looking statements or information are based on a number of assumptions which may prove to be incorrect. Such assumptions include, among other things, that the scoping study will be completed as contemplated and that the development budget activities will proceed as anticipated.*

*Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to any number of factors, including such variables as: volatility of mineral commodity prices, fluctuations in currency and interest rates, product supply and demand, exploration risks inherent in Karmin's activities, Karmin's ability to access external sources of debt and equity capital if needed, changes in environmental and other regulations or the interpretation of such regulations, the ability to obtain necessary regulatory approvals, weather and general economic, political and business conditions.*

*Although Karmin believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because Karmin can give no assurance that such expectations will prove to be correct.*

*The forward-looking statements or information contained in this news release are made as of the date hereof and Karmin undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.*

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

Tel: 416-367-0369 Fax: 416-868-6467 [www.karmin.com](http://www.karmin.com)

---

6 Adelaide Street East, Suite 300, Toronto, ON M5C 1H6