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KARMIN ANNOUNCES ANGLO AMERICAN TO EXPAND EXPLORATION PROGRAM AT ARIPUANA; PLANNED EXPENDITURES INCREASE TO CDN\$1.3 MILLION

Toronto, May 17 -- Karmin Exploration Inc. announced today that joint-venture partner Anglo American Brasil Ltda, a subsidiary of UK-based mining giant Anglo American PLC, has expanded exploration activities on the jointly-owned Aripuana property in the state of Mato Grosso, Brazil. Budgeted expenditures on the first phase of exploration have increased to approximately Cdn\$1.3 million (US\$906,000), up from Cdn\$850,000 as previously announced.

The planned exploration program includes aerial and ground geophysics, followed by diamond drilling. Target areas within the Aripuana volcano-sedimentary massive sulphide belt will be tested with an airborne electro-magnetic survey employing Anglo American's proprietary SPECTREM system. Groundwork will include a CSAMT (Controlled Source Audiofrequency Magnetotelluric) survey covering 10 km on the Maçaranduba, Babaçu and West Arex targets. A program of borehole geophysics is planned to test the extensions of the Valley deposit down plunge. Eight holes totaling 2,000 meters of diamond drilling are planned and results should be available in late summer or early fall.

As reported previously, the Aripuana project is ranked as Anglo American's number one exploration project in Latin America and also ranks highly among the Company's world-wide projects.

Karmin's Aripuana property hosts the Valley Deposit, previously determined by ACA Howe International to contain a resource estimated at 11.65 million tonnes averaging 6.29% zinc, 2.25% lead, 0.07% copper, 65 g/t silver and 0.25 g/t gold. It remains open to depth and along strike. Anglo American has advised Karmin that currently estimated resources at the adjacent Arex deposit discovered by Anglo American are of a similar order of magnitude to the Valley Deposit, and it is also open along strike and to depth.

The two deposits are located on the 11,046-hectare Aripuana property in which Karmin holds an approximate 30% interest, while Anglo's stake is 70%.

The complete Anglo/Karmin agreement calls for a minimum Cdn\$4.75 million expenditure by Anglo to June 30, 2003, which includes the Cdn\$1.3 million noted above. Upon vesting, Anglo will be required to fund a fully bankable feasibility study before Karmin is required to contribute. The Aripuana property also displays significant gold potential in a 50-metre-thick oxide cap with one 22-metre drill intersection assaying 19 grammes per tonne gold. Karmin holds a 100% interest in the oxide gold potential, subject to a 2% royalty.

Karmin Exploration Inc. is active in base and precious metal exploration in Brazil and its common shares are quoted on The Canadian Dealing Network under the symbol "KARM". There are 26,534,902 common shares and 600,000 Warrants of Karmin outstanding.

Updates can be found on the Company's website: www.karmin.com

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