

For Immediate Release: October 27, 2000

**Karmin Exploration Inc.
Corporate Update**

Toronto, Ontario, October 27 -- Karmin Exploration Inc. today announced that it intends to issue an aggregate of 5,155,532 common shares at a deemed price of \$0.33 per share to a non-arms length party in settlement of debt in the amount of \$1,701,325. This transaction will not result in a change of control and is subject to all applicable regulatory approvals.

“Results from the latest exploration work in Brazil show that the Airpuana project is maturing,” said Robert Ciccarelli, President and CEO. “The debt conversion achieves to key aims: First, the debt on our books is converted to strengthen the balance sheet and, second, it reduces our burn rate by eliminating monthly interest payments.”

As previously announced, the latest stepout drillhole (160-meter stepout) to the west of the 11.65-million-tonne Valley deposit intersected 9 meters of 16.6% zinc, 5.4% lead and 156 grams per tonne silver. The intersection, drilled by joint-venture partner Anglo American, significantly increases both the tonnage and grade potential of the property.

Karmin Exploration Inc. is a base and precious metal exploration company with property in Brazil. The Company’s shares are listed on the Canadian Venture Exchange under the symbol “YKA”.

Updates can be found on the Company’s web site: www.karmin.com

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