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Karmin Exploration announces a new partner for the 23.7 million tonne Aripuanã polymetallic massive sulphide project in Brazil

Karmin Exploration Incorporated (KAR:TSXV) is pleased to announce a new partner for its 28.5% owned Aripuanã polymetallic mining project in Mato Grosso, Brazil. The new partner, Votorantim, is earning into the position held by Anglo American Corporation, in an undisclosed transaction.

“Karmin welcomes the involvement of South America’s largest zinc integrated mining and smelting company, Votorantim”, says Bill Fisher, Karmin’s president. “We anticipate that their aggressive exploration program will lead to fast track exploitation of Aripuanã, with a partner motivated to rapidly mine and produce base metal concentrates. Zinc prices have increased by 50% from their recent lows, and few junior exploration companies have interests in large zinc-rich polymetallic deposits.”

The Votorantim Group is one of the largest economic groups in Brazil. The group’s companies are market leaders or have outstanding participation in the production of cement, cellulose, paper, aluminum, zinc, nickel, flat steel, BOPP (biaxially oriented polypropylene) flexible film, chemicals and orange juice. It also has a strong participation in the financial industry through the Votorantim Bank. While most of their operations are in Brazil, the company also owns companies like St Mary’s Cement in Canada, and trades in over 100 countries. The metals division, Votorantim Metais, includes the largest integrated single plant aluminium facility in the world, produces 72% of Brazil’s nickel and is the largest producer of zinc in Latin America. It has two zinc metallurgical facilities at Três Marias and Juiz de Fora in Minas Gerais state. Only half of its supply of zinc feed is from the group’s Vazante and Paracatu mines, the remainder is imported. Votorantim Metais produces Special High Grade (SHG) metallic zinc ingots, zinc alloys and zinc oxide, as well as silver and lead concentrates, copper sulphate, sulphuric acid and sulphuric dioxide.

Karmin’s **Aripuanã deposit** contains a global resource of **23.74 million tonnes grading 5.07% zinc, 1.81% lead, 52.96 g/t silver, 0.43% copper and 0.41 g/t gold** (see attached chart and press release of October 10th 2002). Aripuanã is the largest undeveloped zinc resource in Brazil and one of the largest in South America. The resources are from the Ambrex and Arex ore bodies, two of five massive sulphide deposits discovered along the 25 kilometre mineralized horizon, which is wholly located within the joint venture.

Karmin discovered the Ambrex deposit in 1995, around the same time that Anglo American discovered the smaller Arex deposit. In 2001, the two companies consolidated the district with Anglo holding 70% and Mineracao Rio Aripuanã (“MRA”)(Karmin 95%) holding the

remaining 30% of the poly-metallic sulphides and MRA holding 100% of the near surface gold bearing oxides. MRA is not required to contribute financially to sulphide exploration until a Bankable Feasibility Study has been completed. Votorantim will take over Anglo's position and the terms of the deal for Karmin remain unchanged.

Votorantim are required to spend US\$1,600,000 by December 2005, of which a minimum of US\$500,000 is to be spent by December 2004. Karmin were informed that Votorantim intend to carry out a detailed resource definition program, consisting of completion and extension of existing drilling to upgrade the resources to the Measured and Indicated categories. Several hundred drill holes have already been drilled at Aripuana.

A highly prospective area is Ambrex West. On October 2001, Karmin reported results of drilling following up Anglo American's proprietary SpectrEM electro-magnetic ("EM") survey over this area. Anglo geophysicists recognised a continuous 1,960 metre long EM conductor. The Ambrex deposit itself, representing merely 300 metres of this anomaly contains over 13 million tonnes of massive sulphide mineralization containing the metals copper, zinc, lead, silver and gold. A scout hole stepping out westwards 160 metres returned **9 metres grading 16.6% zinc, 5.4% lead and 156 g/t silver**. A further 500 metre step-out hole returned **5.85 metres grading 8.5% zinc, 3% lead and 92 g/t silver**. The anomaly extends a further 400 metres and remains open and untested to the west. These discovery drill holes were not followed up by Anglo due to low base metal prices at the time. Some of the new drilling is planned to clearly define these discoveries.

With the new initiative led by our partners in the huge underlying massive sulphide deposits, Karmin is planning to commence a comprehensive program to evaluate MRA's 100% owned close-to-surface gold potential in the joint venture area. As previous exploration has focussed on the sulphides, the gold oxide potential of Aripuanã, one of Brazil's most mineralised districts, has received limited attention to date.

The Aripuanã project is 20 kilometres from the town of Aripuanã, in Mato Grosso state, Brazil. The town is served by several regular scheduled flights per week and is on a well maintained gravel highway.

Karmin is an exploration company focussed on discovery and development of metal mines in Brazil. Details can be found on the website www.karmin.com.

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Resources - Arex and Ambrex								
Deposit	Zone	Resource Classification	Ton (x1000)	Zn %	Pb %	Ag g/t	Cu %	Au g/t
Arex	Zinc	Indicated	3,005	6.72	2.16	58.73	0.35	0.28
	Zinc	Inferred	3,261	6.90	2.33	66.28	0.36	0.28
	Total Zinc		6,266	6.81	2.25	62.66	0.36	0.28
	Copper	Indicated	1,852	0.44	0.08	21.10	1.95	1.56
	Copper	Inferred	1,797	0.54	0.07	18.81	1.99	1.64
	Total Copper		3,649	0.49	0.08	19.97	1.97	1.60
	Total Arex		9,915	4.49	1.45	46.95	0.95	0.76
Ambrex	Valley	Indicated	7,682	5.55	2.08	58.71	0.05	0.17
	Valley	Inferred	5,443	5.54	2.14	58.86	0.05	0.16
	Total Valley		13,125	5.54	2.11	58.77	0.05	0.17
	Toddy	Indicated	471	4.55	1.29	29.12	0.15	0.15
	Toddy	Inferred	228	4.77	1.36	28.75	0.14	0.14
	Total Toddy		699	4.63	1.31	29.00	0.15	0.15
	Total Ambrex		13,825	5.50	2.07	57.27	0.06	0.16
Total Arex + Ambrex - Zinc Zones			20,091	5.91	2.12	58.95	0.15	0.20
Total Arex + Ambrex - Zinc + Copper Zones			23,740	5.07	1.81	52.96	0.43	0.41

Table 1: Arex and Ambrex Classified Resources