



## **KARMIN Announces Receipt of NI 43-101 Compliant Resource Estimation at its 30% Owned Aripuanã Base and Precious Metals Project, Brazil**

### **Indicated Resource of 27.7 Million Tonnes Grading 6.6% Zinc Eq.**

TORONTO, Ontario – October 24<sup>th</sup>, 2007 – Karmin Exploration Incorporated ("Karmin" or the "Company", TSXV: KAR) announced today that it has received, and will be filing shortly on SEDAR, an independent National Instrument ("NI") 43-101 compliant technical report ("Technical Report") stating the mineral resource estimates for the Aripuanã massive sulphide district in Mato Grosso State, Brazil (see attached map). Karmin owns a 30% interest in the project and is not required to contribute financially until completion of a bankable feasibility study.

"The first ever compliant resource estimation has come in at **27.7 million tonnes of indicated resources grading 6.6% zinc equivalent, plus 5.8 million tonnes of inferred resources**. Aripuanã has been confirmed as a significant base metal resource within an important new massive sulphide district," commented Bill Fisher, Karmin's CEO. "In addition to the impressive initial resource estimation on the 'Arex' and 'Ambrex' geological bodies, we are encouraged that additional massive sulphides such as the adjacent Babaçú discovery, which recently returned intersections up to 22 metres grading 5.0% zinc and 2.3% lead, and Mocoto, with intersections up to 7 metres grading 11.65% zinc and 2.73 g/t gold, will contribute significant upside potential to this developing camp."

### **Highlights of the Technical Report**

The Technical Report was prepared for the Company by independent engineers AMEC International (Chile) S.A. (AMEC), a division of AMEC Americas Limited. Highlights include:

- **Total indicated resource for Ambrex and Arex of 27.7 Mt grading 6.44% Zn Eq.**
- **Open pit indicated resource at Arex of 9.4 Mt. grading 6.06% Zn Eq.**
- **Underground indicated resource at Ambrex of 18.3 Mt. grading 6.63% Zn Eq.**
- **Combined inferred resources from Arex and Ambrex of 5.8 Mt. grading 6.52% Zn Eq.**
- **Contained metal in the indicated resource of 2.153 billion pounds of zinc, 820 million pounds lb. of lead, 156 million pounds of copper, 241,000 ounces of gold and 31,389,000 ounces of silver.**

*Tonnage is reported in millions of tonnes (Mt). For calculation of Zinc Equivalent (Zn Eq.) end-of-Q3 2007 prices have been used namely Zinc \$1.388/lb, Lead \$1.565/lb, Copper \$3.704/lb, Gold \$743/oz and Silver \$13.65/oz.*

### **Project Summary**

Aripuanã is a Noranda type Volcanogenic Massive Sulphide district located in Mato Grosso state in Brazil. Two main elongate basin shaped mineralized zones have been described and named "Arex" and "Ambrex" (the latter previously named the "Valley" deposit). Three mineralized styles have been identified, a basal copper/gold stringer zone, an upper banded, massive and disseminated zinc, lead and silver zone, with gold,

and sulphides in quartz veins developed in a late shearing event. Up to five continuous mineralized horizons occur in the east and three in the west, with these mineralized horizons extending over a 9 kilometre total length and up to 1 kilometre in width. Zinc is considered the most important economic mineral (54% by value), followed by lead (24%), copper (11%) silver (8%) and gold (4%), using end Q3 2007 comparative pricing.

### Technical Report

AMEC was retained by Karmin to review, audit and provide accreditation for a mineral resource estimate for the Aripuanã Project. A report was issued by AMEC to the project operator, Votorantim, in July 2007 in a format non-compliant with Karmin's Canadian disclosure obligations under NI 43-101. Consequently, Karmin retained AMEC to update the report in accordance with the NI 43-101 Technical Report standard. The "Qualified Persons" responsible for the report, are Messrs. Rodrigo Marinho, P Geo., Dr. Armando Simon R.P.Geo., and Pierre Lacombe P Eng., all of AMEC. Mr. Marinho was responsible for review of drill core and geological modeling and resource estimation, Dr. Simon for Data review, implementation of the QA/QC program and geological reinterpretation, and Mr. Lacombe for the metallurgical review.

### Estimated Mineral Resources

The mineral resource estimate was prepared using an electronic block model and Datamine® resource modeling software. All un-assayed sections were considered zero grade. The resources consist of two bodies, Ambrex and Arex, both Zn-Pb-Cu-Au-Ag bearing massive sulphides. Overlying oxide material, owned 100% by Karmin, is not considered in this NI 43-101 report. Data in sufficient quantities to model variograms were found in both deposits and grade interpolation was performed by ordinary kriging. A summary of the mineral resource is set out in Table 1 below. No resources have yet been calculated for the Babaçú or Mocoto mineralizations.

**Table 1. Aripuanã Mineral Resources**

<b>Sulphide Mineral Resource - Tonnes and Grade</b>						
	<b>Tonnes</b>	<b>Zinc (%)</b>	<b>Lead (%)</b>	<b>Copper (%)</b>	<b>Gold (g/t)</b>	<b>Silver(g/t)</b>
<b>Ambrex (Indicated)</b>	18,322,000	4.03	1.52	0.09	0.18	35.55
<b>Arex (Indicated)</b>	9,380,000	2.54	1	0.58	0.45	34.65
<b>Total Indicated</b>	<b>27,702,000</b>	<b>3.53</b>	<b>1.34</b>	<b>0.26</b>	<b>0.27</b>	<b>35.25</b>
<b>Inferred</b>	5,773,000	3.61	1.32	0.24	0.39	33.52
Sulphide Resource uses cut-off of \$20/t for Ambrex and 1.8% Zn Eq. for Arex						

<b>Sulphide Mineral Resource - Contained Metal</b>					
	<b>Zinc (%)</b>	<b>Lead (%)</b>	<b>Copper (%)</b>	<b>Gold (g/t)</b>	<b>Silver(g/t)</b>
<b>Ambrex (Indicated)</b>	1,628,120,403	614,080,152	36,360,009	106,027	20,940,270
<b>Arex (Indicated)</b>	525,345,660	206,829,000	119,960,820	135,702	10,449,027
<b>Total Indicated</b>	<b>2,153,466,063</b>	<b>820,909,152</b>	<b>156,320,829</b>	<b>241,728</b>	<b>31,389,298</b>
<b>Inferred</b>	459,465,111	167,958,819	30,691,616	71,661	6,221,462

## **Mining Methods Considered for Cut-off Calculations**

Mineral resources reported by AMEC are considered to have a reasonable prospect of economic extraction potential to be mined, by open pit in the case of Arex and by underground methods for Ambrex. AMEC also observed that their interpretation leaves significant amounts of mineralized material outside of the interpreted deposits which might in the future become resources.

AMEC considered Net Smelter Return (“NSR”) calculations to value the blocks, run pit optimizations using Whittle® software and define underground stopes.

To establish a meaningful cut-off grade mining, processing, transport, off-site treatment and administration costs were considered. Significant work was done in terms of defining the parameters used for pit optimization and underground stope design. Allowance for mining recovery and waste dilution is included in the resource estimation procedure.

For the **Ambrex underground study** the following mining methods were considered to arrive at a cut-off cost in dollars:

- Mineralized zone width > 15 m – Transverse Longhole Stopping (Paste Fill)
- Mineralized zone width 5 to 15 m – Longitudinal Longhole Stopping (Paste Fill)
- Mineralized zone width < 5 m – Cut and Fill Stopping (Paste Fill)

For the **Arex open pit study**, base costs of \$1.224/t mining cost and 6.44/t processing costs were used, and a 42 degree pit slope was assumed.

## **Metallurgical Recoveries**

There has been only preliminary metallurgical testwork done on Aripuanã concentrates, and it is cautioned that the assumptions in this study are based on what might be considered reasonable for this project, rather than based on demonstrated locked cycle metallurgical tests. The mineralogy is comparatively coarse grained; zinc will be recovered from sphalerite, copper from chalcopyrite and lead from galena. No deleterious minerals have been identified to date, so no penalties have been used in the cut-off calculations. The preliminary 1.2 million tonne per year plant design, representing over 20 years of mine life, is a conventional crushing, grinding and flotation milling circuits producing zinc, lead and copper concentrates to be sold to smelters for further smelting and refining. No gold or silver production has been considered unless as a credit in the concentrates.

Applying scoping level mining and plant design costing, conservative metal prices, reasonable plant recoveries and smelter charges, AMEC have calculated the potential NSR cut-off as \$20/t in the Ambrex deposit and 1.8% Zinc Equivalent in the Arex deposit.

## **Further potential at Aripuanã**

The Aripuanã project is an emerging massive sulphide district. A number of massive sulphide bodies having been discovered by Karmin and its partners since the early 1990s. Mineralization remains open between the indicated and inferred resources reported today at Arex and Ambrex and both deposits are open at depth. Other massive

sulphide targets at Babaçú, Massaranduba, Mocoto and Boroca present potential to add mineral resources in the future. At **Babaçú**, intersections including **5.3 metres grading 9.0% zinc and 2.6% lead**, **22 metres grading 5.0% zinc and 2.3% lead** and **22 metres grading 5.0% zinc, 1.6% lead and 46.3 g/t silver** have been reported (see releases of September 27<sup>th</sup> 2007 and July 12<sup>th</sup> 2007). Karmin also has reported multiple horizons at the zinc/gold bearing **Mocoto**, with intersections including **7 metres grading 11.65% zinc and 2.73 g/t gold** only 40 metres below surface, **17.6 metres grading 4.03% zinc, 1.17% lead and 8.73 metres grading 1.43% zinc and 3.53 g/t gold** (see release of February 7<sup>th</sup> 2001).

Karmin owns 100% of the oxide concessions of the complete Aripuanã District. These consist of a weathered oxidized zone from surface up to 40 metres thick covering the complete concession. Mineralization in the oxide zone is of three styles: firstly weathered massive sulphides, known as gossans, as found at "Expedito's Pit" overlying the Ambrex deposit, secondly gold in quartz veins developed in a late shearing event, as found at Cabeça Branca and Arex, and thirdly alluvial deposits which were exploited by artisanal miners up to the early 1990s. According to a report by Anglo American Corporation, a major mining corporation, who drilled for gold in the 1990s, the best grades to date have been **8 metres grading 9.55 g/t gold** and **14 metres grading 4.73 g/t gold** at the Cabeça Branca area, near Mocoto, and adjacent to the Arex resource where **25 metres grading 5.2 g/t gold** was found.

As a result of these mineralizations, Karmin considered the future mineral potential at Aripuanã, both from these areas and opportunity for new discoveries to be excellent.

### **Technical Report**

As required by NI 43-101, Karmin today will file shortly the Technical Report on [www.sedar.com](http://www.sedar.com) and the Company's website at [www.karmin.com](http://www.karmin.com).

Rodrigo Marinho, P Eng., an independent Qualified Person as defined by NI 43-101, supervised the preparation and verified the technical information contained in this release.

### **About Karmin**

Karmin Exploration Incorporated is a TSX Ventures Exchange mine development company whose assets are at Aripuanã. The company has been active in Brazil since 1995, discovered the 18 million tonne Ambrex deposit and first identified the Babaçú deposit. Karmin's interest in the Aripuanã project is 30% of the unweathered sulphide resources and 100% of the overlying oxide resources Karmin has 38,453,591 shares outstanding and 41,453,591 shares fully diluted.

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Figure 1. Aripuanã Massive Sulphide District, Mato Grosso, Brazil

