

## **Equity Participation by New Directors and the Granting of Stock Options**

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KARMIN EXPLORATION INC ("KAR-V") Further to its news release dated September 2, 2011, Karmin Exploration Inc. announced that certain members of the board of directors of Karmin (the "Board") appointed on September 2, 2011, being David Brace, Terence Orslan, Richard Faucher and Edmundo Guimaraes (collectively, the "Participating New Directors"), will participate in a non-brokered private placement (the "Private Placement"). A consultant to Karmin will also participate in the Private Placement. Karmin also announced that the Board has unanimously resolved to grant stock options (the "Options") to the Participating New Directors and Larry Ciccarelli, also a recently appointed member of the Board, as well as certain employees and consultants of Karmin (collectively, the "Option Participants").

As an indication of their belief in the continued success of Karmin, the Board has unanimously resolved to issue an aggregate of 637,500 common shares in the capital of Karmin (the "Common Shares") to the Participating New Directors and the consultant for gross proceeds of \$255,000.00.

The proceeds of the Private Placement are intended to be used to further the mandate of the newly comprised Board to pursue various strategic transactions in order for Karmin to achieve its corporate objectives.

The 2,350,000 stock options previously granted to the former directors of Karmin have been surrendered and terminated. In accordance with the terms of Karmin's stock option plan (available on SEDAR), the terminated options are available to be granted by the Board.

In order to provide an additional financial incentive for the continued improvement in the performance of Karmin and encouragement to remain in the employ of Karmin, Karmin will grant a total of 2,535,000 Options to the Option Participants effective today. The Options permit the holders to purchase Common Shares at an exercise price of \$0.40 per Common Share for a period of 10 years from today's date. The closing price of the Common Shares on the TSX Venture Exchange ("TSX-V") on September 8, 2011 was \$0.355. Approximately 50% of the Options vest immediately with the remainder vesting in equal parts on the first and second anniversary of the issuance of the Options. The granting of the Options and the Private Placement (the "Transactions") are both subject to the acceptance of the TSX-V. Karmin intends to close the Private Placement immediately following conditional acceptance of the Private Placement in order to accelerate its pursuit of its corporate objectives.

Each Transaction is considered to be a "related party transaction" under National Instrument 61-101- Take-Over Bids and Special Transactions ("NI 61-101"), however as the fair market value of both Transactions individually and together represent less than 25% of the market capitalization of Karmin, the Transactions are exempt from the formal valuation and minority shareholder approval

requirements as set out in NI 61-101.

### **About Karmin**

The Common Shares are listed on the TSX-V and trade under the symbol "KAR". The principal business of Karmin is to acquire and explore resource properties. Karmin's main project is located at Aripuana, Brazil. Karmin owns 30% of the Aripuana zinc project, one of the largest undeveloped zinc projects in Brazil. Aripuana covers a complete mineralized massive sulphide district, with five areas of mineralization (Arex, Ambrex, Babacu, Massaranduba and Mocoto) over a 25 kilometre strike length. Karmin also owns 100% of the Aripuana gold-silver project which includes the gold and silver mineralization associated with the near surface oxidized portions of the massive sulphide deposits.

This news release contains forward-looking statements relating to the Transactions. Forward-looking statements include, but are not limited to, possible events and statements. The words "plans," "expects," "is expected," "scheduled," "estimates," "forecasts," "projects," "intends," "anticipates," or "believes," or variations of such words and phrases or statements that certain actions, events or results "may," "could," "would," "might," or "will be taken," "occur," and similar expressions identify forward-looking statements.

Such statements are not historical facts. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections in the forward-looking statements will not occur, and that actual performance and results in future periods may differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. These assumptions, risks and uncertainties include, among other things: the inability to obtain or meet conditions imposed by applicable regulatory requirements relating to the Transactions and the inability to successfully implement and execute Karmin's corporate objectives.

The forward-looking statements contained in this news release are made as of the date of this news release. Except as required by law, Karmin disclaims any intention and assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Additionally, Karmin undertakes no obligation to comment on the expectations of, or statements made by, third parties in respect of the matters discussed above. The TSX-V has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.

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