

## **Karmin Announces Agreements to Acquire Mining Concessions in the Huamachuco Gold District of Peru**

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Toronto, Ontario, November 22, 2011 – Karmin Exploration Inc. (“**Karmin**”) (TSXV: KAR) announced today that it has entered into a purchase agreement (the “**Purchase Agreement**”) with Alberto Aurelio Arias Dávila (the “**Vendor**”), a well-known Peruvian mining entrepreneur and an arm’s length party, to purchase 100% of the right, title and beneficial interest held by the Vendor in two mining concessions (the “**Purchased Mining Concessions**”) forming a portion of the Cushuro Property located in the department of La Libertad in the Republic of Peru (the “**Acquisition**”).

In addition to the Acquisition, Karmin has entered into an option agreement (the “**Option Agreement**”) with the Vendor, which grants to Karmin an irrevocable and exclusive option (the “**Option**”) to purchase from the Vendor 100% (and not less than 100%) of the right, title and beneficial interest in an additional mining concession (the “**Option Mining Concession**”, and together with the Purchased Mining Concessions, the “**Cushuro Mining Concessions**”), also forming a portion of the Cushuro Property (the “**Option Acquisition**”, and together with the Acquisition, the “**Cushuro Acquisition**”). The Option Agreement provides Karmin with the right to exercise its option to purchase the Option Mining Concession, at its sole discretion, at any time on or after January 16, 2012 and for a period of one year following such date (the “**Option Term**”).

Pursuant to the Option Agreement, Karmin and the Vendor have agreed to enter into a separate agreement to lease the Option Mining Concession (the “**Lease**”), providing Karmin with access to the Option Mining Concession during the Option Term. The Lease will be entered into following the receipt of final approval from the TSX Venture Exchange (the “**Exchange**”) in respect of the Cushuro Acquisition, and will have a term ending on the earlier of the date in which the Option Acquisition closes and the expiry of the Option Term.

The Cushuro Mining Concessions are located in the Huamachuco Gold-Mining District in the sierras of northwestern Peru. The concessions include a gold-mineralized zone (the “**Zona Cushuro**”), discussed below, that is similar to other operating mines in the district, including Lagunas Norte, La Virgen, La Arena, El Toro and Santa Rosa. The concessions cover a 25 square kilometre area, span an elevation range of 3,900 to 4,200 meters, and can be reached in four to five hours via well-maintained roads from Trujillo (a departmental capital on the Pacific coast). The area is crossed by a power transmission line.

The Cushuro Acquisition will constitute a Reviewable Acquisition under the policies of the Exchange and, accordingly, must be approved by the Exchange. Additionally, the policies of the Exchange require that the shareholders of Karmin approve the issuance of the Cushuro Shares (as defined below) to the Vendor, because such issuance will result in the Vendor becoming a Control Person (as defined in the policies of the Exchange).

## **Consideration**

In consideration for the Cushuro Mining Concessions, the attached rights and the Lease, Karmin has agreed to issue up to an aggregate of 15,000,000 common shares in the capital of Karmin to the Vendor as follows:

- (i) 14,850,000 common shares of Karmin on closing of the Acquisition (the “**Shares**”);
- (ii) 15,000 common shares of Karmin on entering into the Lease (the “**Lease Shares**”); and
- (iii) in the event the Option is exercised, an additional 135,000 common shares of Karmin on closing of the Option Acquisition (the “**Option Shares**”, and together with the Shares and the Lease Shares, the “**Cushuro Shares**”).

In addition to the issuance of the Cushuro Shares, Karmin has agreed to use its best efforts to complete an equity financing on or before December 31, 2012, pursuant to which Karmin will raise net proceeds of not less than \$4,000,000 (the “**Financing**”). Assuming successful completion of the Financing, Karmin has agreed to pay an aggregate amount of \$2,500,000 in cash to the Vendor from the net proceeds of the Financing (the “**Financing Payment**”). The Financing Payment will be paid in two equal instalments, with the first payable on the closing date of the Financing and the second on the date which is 12 months after the closing of the Financing.

The terms, conditions and timing of the Financing have not been determined and Karmin can offer no assurance that it will be successful in completing the Financing. If the Financing is not completed, Karmin is not under any obligation to pay any portion of the Financing Payment to the Vendor.

Immediately following the closing of the Acquisition, the Vendor will become a Control Person of Karmin. At that time, the Vendor will hold approximately 27.53% of the common shares of Karmin that will then be issued and outstanding (assuming no other issuances of common shares). Following the entering into of the Lease, the Vendor will hold approximately 27.55% of the common shares of Karmin that will then be issued and outstanding (assuming no other issuances of common shares) and, in the event that the Option is exercised, the Vendor will hold approximately 27.73% of the common shares of Karmin that will then be issued and outstanding (assuming no other issuances of common shares). The Cushuro Shares to be issued to the Vendor will be issued pursuant to exemptions from the prospectus requirements of applicable Canadian securities laws.

The closing price of the common shares of Karmin on November 21, 2011, the trading day immediately preceding the execution of the Purchase Agreement and the Option Agreement, was \$0.69 per common share (the “**Share Price**”), resulting in the total value of the consideration to be paid in connection with (i) the Acquisition being \$10,246,500.00, or \$12,746,500.00, including the Financing Payment, if the Financing is completed; (ii) the Lease being \$10,350.00; and (iii) the Option Acquisition being \$93,150.00. Assuming the Option is exercised, and, based on the Share Price, the aggregate consideration paid by Karmin to the Vendor in connection with the Cushuro Acquisition will be \$10,350,000.00, or \$12,850,000.00, including the Financing Payment, if the Financing is completed. No finder’s fees will be paid in connection with the Cushuro Acquisition.

### **Designated Director**

Pursuant to the Purchase Agreement, Karmin has also granted the Vendor the right to designate an individual (the “**Designated Director**”) to be included among the nominees to act as directors of Karmin at the next meeting of shareholders of Karmin at which the Board is to be elected, which meeting is currently scheduled to be held on Wednesday, January 18, 2012 (the “**Meeting**”).

The Vendor has designated Dr. Luis Rodríguez-Mariátegui Canny as its Designated Director. Dr. Rodríguez-Mariátegui Canny is a partner at Hernández & Cía. Abogados, a law firm in Lima, Peru, and is considered to be an expert in the areas of corporate law, mining law and environmental law. He is a member of the Legal Committee of the National Society of Mining, Oil and Energy in Peru (the “**SNMPE**”), member of the Legal Committee of the Peruvian American Chamber of Commerce, member of the Environmental Affairs Committee of the SNMPE and Director of Institute of Mining and Energy Studies in Peru. He is also a member of the Peruvian Institute of Mercantile Law and of the Peruvian Association of Maritime Law. Dr. Rodríguez-Mariátegui Canny has acted as a member of the board of directors of several Peruvian and foreign companies.

The appointment of the Designated Director is conditional on the approval of the Exchange, his election by the shareholders of Karmin at the Meeting, and on the closing of the Acquisition.

### **Financial Resources of Karmin**

Karmin currently has approximately \$300,000 of working capital, which it intends to use to fund payment obligations relating to the Cushuro Mining Concessions and to fund exploration and development on the property consisting of the Cushuro Mining Concessions. Karmin intends to complete the Financing to satisfy the Financing Payment and to provide additional working capital to fund further exploration and development of the Cushuro Mining Concessions.

### **Shareholder Approval**

Karmin intends to seek the shareholder approval required by the Exchange in connection with the issuance of the Cushuro Shares, which result in the Vendor becoming a Control Person, by way of written consent of shareholders of Karmin holding over 50% of the common shares currently issued and outstanding in accordance with the policies of the Exchange.

Karr Securities Inc., which holds approximately 37.4% of the outstanding common shares and which is currently Karmin’s largest shareholder, together with each of the directors and executive officers of Karmin, have indicated that they support the Cushuro Acquisition and will sign any such written consent of shareholders.

### **Exchange Approval**

The Cushuro Acquisition will constitute a Reviewable Acquisition under the policies of the Exchange and, accordingly, must be approved by the Exchange. The Cushuro Acquisition cannot close until such approval is obtained, and Karmin intends to file its application to the Exchange for approval of the Cushuro Acquisition forthwith.

Exchange policies mandate that trading in the common shares of Karmin be halted pending receipt and review by the Exchange of documentation relating to the Cushuro Acquisition, including a title opinion in respect of the Cushuro Mining Concessions and a technical report prepared in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”). Karmin can offer no assurances as to when such halt will be lifted by the Exchange.

### **Closing of the Cushuro Acquisition**

Closing of each of the Acquisition, the Option Acquisition and the entering into of the Lease is subject to customary closing conditions, in addition to the requirement to obtain the approval of the Exchange and the shareholders of Karmin as noted above. Karmin intends to close the Acquisition as soon as possible following receipt of such approvals.

Karmin will issue a news release regarding the status of the Cushuro Acquisition every 30 days following today’s date until the Acquisition has closed in accordance with applicable policies of the Exchange. Concurrently with the closing of the Acquisition, Karmin will enter into the Lease with the Vendor. Karmin will also issue a news release if and when it elects to exercise the Option.

### **Description of Property**

#### ***The Cushuro Mining Concessions***

The Cushuro Mining Concessions are located in the Huamachuco Gold-Mining District in the sierras of northwestern Peru. The concessions include a gold-mineralized zone, the Zona Cushuro, discussed below, that is similar to other operating mines in the district, including Lagunas Norte, La Virgen, La Arena, El Toro and Santa Rosa. These other mines are located within approximately 30 kilometres of the Cushuro Mining Concessions. The concessions cover a 25 square kilometre area, span an elevation range of 3,900 to 4,200 meters, and can be reached in four to five hours via well-maintained roads from Trujillo (a departmental capital on the Pacific coast). The area is crossed by a power transmission line.

Karmin has received a draft technical report dated November 13, 2011 (the “**Report**”) in respect of the Cushuro Mining Concessions prepared by an independent qualified person, as that term is defined in NI 43-101, which will be submitted to the Exchange for review and then finalized. Based on the results of the Report, Karmin intends to implement a work plan on the Cushuro Mining Concessions with the aim of identifying an economically viable gold-silver ore deposit. The anticipated work plan will include a detailed geological, geochemical and geophysical evaluation followed by a 3,000 metre reverse circulation drill program. Karmin anticipates the total cost of this work plan to be approximately \$700,000.

Although there are other zones of mineralization on the Cushuro Mining Concessions, including meter-wide veins yielding multi-ounce silver assays (the “**Zona Escalerillas**”) in the southern part of the property, based on the Report, Karmin expects its main target to be the Zona Cushuro, located in the northeast of the property (on the Gaby 2 claim, one of the Purchased Mining Concessions).

The Report notes that the Zona Cushuro is similar to other operating mines in the district, inasmuch as low-grade (typically <1000 ppb gold) epithermal, disseminated gold ( $\pm$ silver) mineralization is hosted in folded, faulted and silicified quartzites of the lower Cretaceous Chimu Formation. The Chimu quartzites in the Zona Cushuro are highly fractured and brecciated. The fractures are generally steep dipping while the bedding strikes north-northeasterly, parallel to the trend of the zone, and dips 30° to 35° east. Goethite and hematite commonly fill the multi-directional (stockwork) fractures and form the matrix of the breccias. The Zona Cushuro is about 560m long, 150m wide, and spans a vertical interval of about 60m. It covers approximately 10 hectares and is open to the south and west.

### ***Previous Exploration Results***

The Report notes that, during the period 2004 to 2006, Minera IRL undertook exploration activities on the Cushuro Mining Concessions. An internal report was prepared for Minera IRL by two of its employees, L. Macedo and I. Herrera (the “**Minera Report**”), summarizing the findings of these activities.

In 2004, Minera IRL successfully drilled 6 shallow holes totalling 341.5 meters (other attempted holes apparently had serious recuperation problems). The best assay results were from hole DDH 5, which intersected 46.45 meters grading 534 ppb gold between 16.0 meters and 62.45 meters (end of hole). This included a 12-m segment between 36.0m to 48.0m that graded 1.8 g/t gold, and one 2-m higher grade assay of 8.4 g/t gold between 42 meters and 44 meters. Hole DDH 1 intersected 18 meters grading 0.16g/t gold between 10 meters and 28 meters, and did not have any higher grade intercepts. The remaining four holes intersected scattered intervals of geochemically anomalous gold with no higher grade intercepts. Additional details with respect to the results of these investigations are discussed below.

During the 2004 to 2006 period, Minera IRL took 621 rock samples from the Zona Cushuro. Most of these were 6-meter-long channel samples. Basic statistics for the gold-assay results are as follows:

Number of Samples (n):	621
Average assay:	0.755 ppm (755 ppb)
Top 5%ile assays:	2.73 ppm
Top 10%ile assays:	1.00 ppm
50%ile (median) assays:	0.070 ppm (70 ppb)
Range of assays:	Trace to 87.1 ppm
Variance:	18.243
Standard deviation:	4.271

The Report concludes that the profound difference between values for “average assay, 755 ppb gold” (sum of all assays divided by population “n”) and “median assay, 70 ppb gold” (half of the population is higher grade and half is lower grade) means either that the distribution of gold is controlled by a few distinct gold-bearing structures, or that there is a “nugget” effect (the gold assays include randomly high-grade results). The distribution of rocks in the Zona Cushuro that returned assays greater than 0.30 ppm (300ppb) gold encompasses a sub-zone measuring about 2.5 hectares (420m x 60m) within which lie the majority of the values greater than 0.3 ppm (300 ppb) gold. Within the sub-zone the mean gold grade has doubled to 1.54 ppm gold and the

median gold value has almost quadrupled to 0.24 ppm (240 ppb). The population of the sub-zone comprises 293 samples.

The Report concludes there are at least two trends of mineralization apparent at the Zona Cushuro and it does not look as though the higher grade values are confined to one, or two, or even several distinct structures and it seems as though there is indeed a nugget effect. The author of the Report believes that this conclusion is supported by the operation of *informales* (small-scale miners) in the Zona Cushuro for the past several years, and who generally operate in areas with a grade of at least 5,000 ppb (5 g/t) gold in order to realize a profit.

### ***Results of Previous Investigations***

The Report states that thirteen diamond drill holes totalling 637.15 meters were drilled by Minera IRL on the property relating to the Cushuro Mining Concessions in 2004. The locations of the drill holes are outlined in Table 1, below. Four of the thirteen holes were re-drilled due to poor core recovery in the original holes, although it is unclear in the Minera Report exactly what holes were re-drilled. In general, the Mineral Report is vague with respect to details about the diamond-drilling programme.

**Table 1: Drill Hole Information**

No.	Name	PSA56 E	PSA56 N	Elev'n	Length (m)	Azimuth	Dip	Loc'n	Start	End
1	CUSH 04-DDH01	169355	9126636	4039	47.35	305°	-60	Pit Cushuro	27/09/2004	28/09/2004
2	CUSH 04-DDH02	169380	9126599	4020	47.00	305°	-55	Pit Cushuro	04/10/2004	06/10/2004
3	CUSH 04-DDH03	169326	9126573	4025	47.30	305°	-55	Pit Cushuro	09/10/2004	12/10/2004
4	CUSH 04-DDH04	169293	9126539	4032	81.90	300°	-55	Pit Cushuro	15/10/2004	21/10/2004
5	CUSH 04-DDH04-1	169293	9126539	4032	18.00	300°	-70	Pit Cushuro	22/10/2004	22/10/2004
6	CUSH 04-DDH05	169400	9126683	4035	62.45	300°	-45	Cushuro N.	26/10/2006	29/10/2004
7	CUSH 04-DDH06	169470	9126755	4056	58.50	295°	-45	Cushuro N.	31/10/2004	03/11/2004
8	CUSH 04-DDH07	169478	9126819	4056	50.40	295°	-45	Cushuro N.	05/11/2004	07/11/2004
9	CUSH 04-DDH01-A	169353	9126634	4039	68.75	300°	-45	Pit Cushuro	10/11/2004	11/11/2004
10	CUSH 04-DDH03-A	169319	9126568	4026	23.95	305°	-45	Pit Cushuro	14/11/2004	15/11/2004
11	CUSH 04-DDH03-B	169327	9126575	4024	33.85	300°	-45	Pit Cushuro	17/11/2004	18/11/2004
12	CUSH 04-DDH08	169544	9126380	3994	50.00	240°	-50	Cushuro N.	21/11/2004	23/11/2004
13	CUSH 04-DDH09	169765	9126126	3982	47.70	250°	-50	Cushuro N.	26/11/2004	27/11/2004
	<b>Total</b>				<b>637.15</b>					

Apparently, core recuperation was a problem, and core was assayed only from six holes (CUSH 04- 01, 02, 03, 04, 05, and 06). A total of 172 core samples were collected from these 6 holes at 2-meter intervals. All holes were spotted so as to intersect bedding at an angle approaching perpendicular (that is; they were directed towards the northwest or southwest at angles of -45° to -70°).

As noted above, the best assay results were from hole DDH 5, which intersected 46.45 meters grading 0.534 g/t gold between 16.0m and 62.45m (end of hole). This included a 12-m segment between 36.0m to 48.0m that graded 1.8 g/t gold, and one 2-m higher grade assay of 8.4 g/t gold between 42 meters and 44 meters. Hole DDH 1 intersected 18 meters grading 0.16g/t gold between 10 meters and 28 meters, and did not have any higher grade intercepts. The remaining four holes intersected scattered intervals of geochemically anomalous gold with no higher grade intercepts.

The author of the Report believes that the quantity of drilling done, particularly in a system with nugget-effect gold distribution and drill-core recuperation problems due to intense fracturation, was inadequate to realistically evaluate the economic significance of the Zona Cushuro.

The Report's author is concerned that the drill holes were not correctly configured. Most drill holes were spotted at (or close) to the topographical summit of the Zona Cushuro trend (directly on top of rock-geochemical gold anomalies), and were inclined westward in order to intersect east-dipping strata. This means that if the mineralization is stratigraphically controlled, and if the rock-geochemical gold anomalies are at the base of the stratigraphically mineralized system, then the drill holes would quickly pass out of the mineralized package and into barren foot-wall sediments. The drill holes should have been stepped out to the east in order to intersect stratigraphically higher parts of the mineralized system. In this regard, it is interesting to note that the best hole, DDH 5, was stepped out further to the east from the central axis of the Cushuro gold-in-rock geochemical anomaly than any other hole except DDH 6, which itself may have been north of and outside of the mineralized zone.

Although neither the Minera Report nor the data from Minera IRL's 2004-2006 exploration program has been fully verified by any qualified person, the Report's author, an independent qualified person for purposes of NI 43-101, has reviewed the findings and the Minera Report, and is reasonably satisfied that best practices procedures were followed by Minera IRL in conducting its exploration program.

The author of the Report cannot comment on Minera IRL's quality assurance and quality control program as the author was not involved in the exploration program from 2004 to 2006. The Report states, however, that the Minera Report indicates that all samples were submitted to CIMM, which is an ISO-certified laboratory in Lima, Peru.

The Report's verification program confirms that the Minera IRL assay data are reasonably consistent with the Report's verification program. The author of the Report is reasonably satisfied that "best-practices" procedures were adhered to by Mineral IRL, and that none of the exploration results reported therein are deliberately misleading.

### ***Results of 2011 Investigations***

The author of the Report has also conducted certain investigations on the property relating to the Cushuro Mining Concessions to support the conclusions drawn in the Report. The author of the Report visited the property on September 7-8, 2011 to inspect the area of the Zona Cushuro at the northeast extremity of the property. The author verified the positions of two drill platforms and collected five chip samples from brecciated and fractured quartzites at the Zona Cushuro. Ten samples (9 chip samples at 20-cm intervals and 1 panel sample) were collected by an assistant under the direct visual supervision of the author. The author of the Report is completely satisfied with security measures taken to ensure the integrity of the verification samples which were assayed at the CIMM Lab (an ISO-certified company) in Lima, Peru.

Key-element assay results for the author's ten QP samples are shown in Table 2, below. The analytical results confirm economically significant concentrations of gold in the five samples taken at Zona Cushuro. The weighted average grade of the five samples, which have an accumulated length of 56.0 meters, is 0.27 g/t gold. Although the author did not obtain higher grade assay results, the tenor of mineralization is consistent with results reported by Minera IRL. Elevated silver, arsenic and antimony are associated with the anomalous gold values. The five samples collected from quartzite outcrops to the north of Zona Cushuro contained <20 ppb gold (with one exception of 89 ppb gold) and generally had lower values for silver, arsenic and antimony.

**Table 2: Assay Verification, Zona Cushuro and Area**

Sample	PSA56E	PSA56N	Zone	Alt (m)	Type	L (m)	Dir'n	Au ppb	Ag ppm	As ppm	Sb ppm	Comments
VR 501	169325	9126613	18M	4001	chips	9	120°	231	0.2	668	40	granular quartzite, partly white, partly hematitic, highly fractured, some segments w / distinct quartz microveinlets, some brecciated segments
VR 502	169306	9126607	18M	4010	chips	12	130°	252	0.5	415	12	granular quartzite, partly white, partly hematitic, highly fractured, some segments w / distinct quartz microveinlets, some brecciated segments
VR 503	169313	9126596	18M	4010	chips	11	142°	636	1	4020	193	granular quartzite, partly white, partly hematitic, highly fractured, some segments w / distinct quartz microveinlets, some brecciated segments
VR 504	169317	9126579	18M	4010	chips	11	210°	109	0.2	256	-5	granular quartzite, partly white, partly hematitic, highly fractured, some segments w / distinct quartz microveinlets, some brecciated segments
VR 505	169278	9126544	18M	4016	chips	13	165°	134	2.9	2161	523	granular quartzite, partly white, partly hematitic, highly fractured, some segments w / distinct quartz microveinlets, some brecciated segments
VR 506	169438	9127079	18M	4044	chips	5	30°	6	0.2	73	-5	granular quartzite, partly white, partly hematitic, highly fractured, specularite in some fractures
VR 507	169480	9126976	18M	4041	chips	9	130°	-5	-0.2	53	-5	granular quartzite, partly white, partly hematitic, highly fractured
VR 508	169483	9126915	18M	4037	panel	1x1	na	89	-0.2	497	14	granular quartzite, partly white, partly hematitic, highly fractured
VR 509	169441	9126883	18M	4041	chips	4	144°	20	-0.2	60	-5	granular quartzite, partly white, partly hematitic, highly fractured
VR 510	169403	9126889	18M	4027	chips	5	110°	6	0.4	69	-5	granular quartzite, partly white, partly hematitic, highly fractured, some segments of mudstone

The author also took photos within the area of Zona Cushuro which show, among other things, (i) a typical outcrop of highly fractured quartzite (and one obvious bedding plane); (ii) an example of “fragment-supported” breccia in a limonite matrix; and (iii) at the opposite end of the spectrum, with breccia that is supported in a limonite matrix.

The author of the Report returned to the Cushuro Mining Concessions on October 19-20, 2011, to re-visit the Zona Cushuro and to briefly examine Veta Escalerilla at the south end of the property. Three samples were collected from Veta Escalerilla. The Veta Escalerilla samples were collected and analyzed in a similar manner as the ten samples collected from the Zona Cushuro area. Key-element assay results are shown in Table 3, below. Samples VR 511 and VR 512 are select grab samples of pyritiferous quartzite from the wall-rocks of mined-out, steeply dipping vein structures striking 250 and 140 degrees respectively. The Report indicates these samples have economically significant concentrations of gold, silver, lead and zinc. Sample VR 513 is a float sample of quartz-vein material comprising vuggy and druzy silica. It yielded the highest gold assay (1.265 g/t), but did not have economically significant concentrations of lead or zinc.

**Table 3: Veta Escalerilla Samples**

Sample	Au g/t	Ag g/t	As ppm	Pb ppm	Sb ppm	Zn ppm
VR 511	0.298	63.8	932	3026	51	7230
VR 512	0.199	9.1	444	1496	107	1960
VR 513	1.265	11.7	211	301	11	483

### ***Qualified Person***

Mr. John A. Brophy, P. Geo, is a graduate of McGill University and holds a BSc in geology and has thirty-nine years of continuous exploration experience, including the past sixteen years in Peru. He is a member of the Northern Association of Professional Engineers, Geologists and Geophysicists and a Fellow of the Society of Economic Geologists. Mr. Brophy is an Independent Qualified Person for purposes of NI 43-101 and has reviewed and approved the technical information relating to the Cushuro Mining Concessions contained in this release, in the form and context in which it appears. Mr. Brophy is the author of the Report, which Karmin intends to file, together with the applicable certificates and consents, in accordance with the provisions of NI 43-101.

### **About Karmin**

The common shares of Karmin are listed on the Exchange and trade under the symbol "KAR". The principal business of Karmin is to acquire and explore resource properties. Currently, Karmin's main project is located at Aripuanã, Brazil. Karmin owns 30% of the Aripuanã zinc project, one of the largest undeveloped zinc projects in Brazil. Aripuanã 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 Aripuanã gold-silver project which includes the gold and silver mineralization associated with the near surface oxidized portions of the massive sulphide deposits.

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### **Disclaimer Relating to Forward-Looking Information**

This news release contains forward-looking statements, including those relating to the Cushuro Acquisition and information that are based on the belief of management and reflect Karmin's current expectations. 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. The forward-looking statements and information in this press release include, but are not limited to, information relating to the business plans of Karmin, the Acquisition and the Option Acquisition (including the exercise of the Option, TSX-V approval, shareholder approval and the completion or termination of each of the Acquisition and the Option Acquisition), the assumption that no other common shares in the capital of Karmin will be issued prior to the issuance of the Shares, the Lease Shares and the Option Shares and the Financing. Such statements and information reflect the current view of Karmin with respect to risks and uncertainties that may cause actual results to differ materially from those contemplated in those forward-looking statements and information.

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 Exchange approval of the Cushuro Acquisition, to obtain shareholder approval of the creation of a new Control Person, to satisfy all other closing conditions or to complete the Financing and that no other common shares in the capital of Karmin will be issued prior to the issuance of the Shares, the Lease Shares and the Option Shares.

The Cushuro Mining Concessions and the land they relate to are exploration properties only. Accordingly, there are a number of important factors that could cause Karmin's actual results to differ materially from those indicated or implied by forward-looking statements and information. Such factors relating to the Cushuro Mining Concessions include, among others, the timing and content of work programs, results of

the development of mineral properties, including the Cushuro Mining Concessions, the interpretation of drilling results and other geological data, the uncertainties of resource and reserve estimates, receipt and security of mineral property titles, receipt of licenses to conduct mining activities, project cost overruns or unanticipated costs and expenses, fluctuations in metal prices and general market and industry conditions, changes in national and local government legislation, taxation, controls, policies and regulations, the security of personnel and assets, and political or economic developments in Canada and Peru, operating or technical difficulties in connection with mining or development activities, employee relations, the speculative nature of mineral exploration and development and the risks and hazards associated with the business of mineral exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins and flooding.

Karmin cautions that the foregoing list of material factors is not exhaustive. When relying on Karmin's forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Karmin has assumed a certain progression of events which may not be realized. It has also assumed that the material factors referred to in the previous paragraph will not cause such forward-looking statements and information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.

The forward-looking statements contained in this news release are made as of the date of this news release. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date. 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 Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.