

# **Karmin Announces Brokered Private Placement Financing of Up to US\$10 million**

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Toronto, Ontario, March 26, 2012 – Karmin Exploration Inc. (“**Karmin**”) (TSXV: KAR) is pleased to announce that it has entered into an agreement with KALLPA Securities Sociedad Agente de Bolsa S.A., as its exclusive agent and leading arranger (“**Kallpa**” or the “**Agent**”), in connection with a “best efforts” private placement (the “**Offering**”) of a minimum amount of US\$4 million and a maximum amount of US\$10 million of common shares of Karmin (“**Common Shares**”) at an issue price of US\$0.77 per Common Share. The Common Shares will be offered and sold in Perú, Colombia, Chile and such other South American countries as may be agreed to by Karmin and the Agent. As previously announced, the Agent has also been retained by Karmin to sponsor the listing of common shares of Karmin on the Lima Stock Exchange (the “**BVL**”).

Karmin expects to close the Offering on or about March 28, 2012 (the “**Closing Date**”), subject to the receipt of applicable regulatory approvals, including the approval of the TSX Venture Exchange.

Kallpa is a Peruvian investment company specializing in equity sales, research and corporate finance, and is a leading sponsor for junior mining companies. As of today, Kallpa sponsors 9 of the 15 junior mining companies listed on the Venture Exchange of the BVL. Kallpa commenced operations in 2008 and now ranks 7<sup>th</sup> by volume traded among 25 Peruvian brokers with a 4% market share in the Peruvian market.

Karmin intends to use the net proceeds of the Offering (i) to fund exploration work on Karmin’s Cushuro Gold Project in the Alto Chicama gold district of northern Peru; (ii) to fund exploration work on Karmin’s Aripuanã Gold-Silver Project; (iii) to satisfy its obligation to pay an aggregate amount of \$2,500,000 to Alberto Aurelio Arias Dávila (“**Arias**”), payable in two equal instalments, with the first payable on the Closing Date and the second on the date which is 12 months after the Closing Date, pursuant to the terms of the previously announced purchase agreement between Karmin and Arias entered into on November 22, 2011; and (iv) for general corporate purposes.

## **About Karmin**

The common shares of Karmin are listed on the TSX Venture Exchange and trade under the symbol “KAR”. The principal business of Karmin is to acquire, explore and develop resource properties.

Karmin owns 100% of the 25-square-kilometre Cushuro Gold Project located in the world-class Alto Chicama gold-mining district of northern Peru.

Karmin owns 100% of the Aripuanã Gold-Silver Project, which encompasses the gold and silver mineralization associated with near-surface oxidized portions of numerous massive-sulphide deposits in the 820-square-kilometre Aripuanã Zinc Project in north-western Brazil.

Karmin owns 30% of the Aripuanã Zinc Project, one of the largest undeveloped zinc projects in Brazil. The Aripuanã Zinc Project covers a mineralized massive-sulphide district that includes five areas of mineralization (Ambrex, Arex, Babacu, Massaranduba and Mocoto) over a 25-kilometre strike length. A technical report completed by AMEC International (Chile) S.A. in accordance with National Instrument 43-101-*Standards of Disclosure for Mineral Projects* in

2007 (available on SEDAR, [www.sedar.com](http://www.sedar.com)) states that the Ambrex deposit has indicated resources of 18.3 million tonnes grading 4.0% zinc, 1.5% lead, 0.18 g/t gold and 35.6 g/t silver. The Arex deposit has indicated resources of 9.4 million tonnes grading 2.5% zinc, 1.0% lead, 0.45 g/t gold and 34.7 g/t silver. Votorantim owns 70% of the Aripuanã zinc project, but assumes 100% of the project costs until the completion of a bankable feasibility study

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**Disclaimer Relating to Forward-Looking Information**

This news release contains forward-looking statements 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 and the closing of the Offering. 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.

The Cushuro Gold Project 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 Gold Project include, among others, the timing and content of work programs, results of the development of mineral properties, including the Cushuro Gold Project, 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 TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.