

Karmin Exercises Option to Acquire Mining Concession in the Huamachuco Gold District of Peru

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Toronto, Ontario, January 18, 2013 – Karmin Exploration Inc. (“**Karmin**”) (TSXV and the Lima Stock Exchange: KAR) announced today that it has exercised its option to acquire 100% of the right, title and beneficial interest held by Alberto Aurelio Arias Dávila (the “**Vendor**”) in a mining concession (the “**Option Mining Concession**”) forming a portion of the Cushuro Property located in the department of La Libertad in the Republic of Peru.

Karmin entered into an option agreement (the “**Option Agreement**”) with the Vendor on November 22, 2011, which granted to Karmin an irrevocable and exclusive option to purchase from the Vendor 100% (and not less than 100%) of the right, title and beneficial interest in the Option Mining Concession. The Option Agreement provided 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**”). Karmin and the Vendor also entered into a separate agreement to lease the Option Mining Concession, which provided Karmin with access to the Option Mining Concession during the Option Term.

Pursuant to the terms of the Option Agreement, Karmin exercised its right to acquire the Option Mining Concession by issuing to the Vendor 135,000 common shares in the capital of Karmin. The shares were issued pursuant to exemptions from the prospectus requirements of applicable Canadian securities laws. After giving effect to the issuance of these shares, the Vendor now holds approximately 25% of the issued and outstanding shares of Karmin.

On February 15, 2012, Karmin acquired 100% of the right, title and beneficial interest held by the Vendor in two additional mining concessions (the “**Purchased Mining Concessions**”, together with the Option Mining Concession, the “**Cushuro Mining Concessions**”), also forming a portion of the Cushuro Property. Karmin shareholders approved the acquisitions of the Cushuro Mining Concessions in December 2011 by way of written consent.

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**”) that is similar to zones present in 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. For more information on the Cushuro Mining Concessions, please see the news releases of Karmin dated November 22, 2011 and November 14, 2012.

About Karmin

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

Karmin owns 30% of the Aripuanã Zinc Project, one of the ten largest undeveloped zinc projects in the world. The Aripuanã Zinc Project covers an 820 square kilometre mineralized massive-sulphide district that includes five areas of mineralization (Ambrex, Arex, Babacu, Massaranduba and Mocoto) over a 25-kilometre strike length. Votorantim owns 70% of the Aripuanã zinc project, but is responsible for 100% of the project costs until the completion of a bankable feasibility study.

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

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