

Karmin announces updated mineral resource and commencement of a pre-feasibility study at Aripuanã

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Toronto, Ontario, February 21, 2013 – Karmin Exploration Inc. (“**Karmin**”) (TSXV and the Lima Stock Exchange: KAR) is pleased to announce an updated estimate of mineral resources including **19.1 million tonnes** of measured and indicated mineral resources plus **14.7 million tonnes** of inferred mineral resources for Karmin’s 30% owned Aripuanã Zinc Project (“**Aripuanã**”). The mineral resources were estimated by Votorantim Metais (“**Votorantim**”) and reviewed by RPA Inc. (“**RPA**”).

Additionally, Votorantim has informed Karmin that an exploration program is planned for 2013 and the results of the ongoing internal pre-feasibility study are expected in the second quarter of 2013. Votorantim spent approximately US\$5 million at Aripuanã in 2012.

Karmin will make a presentation on Aripuanã and its other properties at the PDAC Convention on Monday March 4, 2013 at 11:20 AM in Room 802AB at the Metro Toronto Convention Centre in Toronto, Ontario during the VMS Session.

RPA has prepared a technical report, dated January 29, 2013, in accordance with Canadian National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”) detailing the estimate of mineral resources. The mineral resource estimate incorporates 181 drill holes totaling 38,318 metres, which have been drilled since the previous NI 43-101 technical report in 2007. A total of 369 drill holes totalling 98,447 metres have been utilized to estimate the mineral resources at Aripuanã. The technical report is available on SEDAR and on Karmin’s website at www.karmin.com.

The summary of the resource estimate is outlined in Table 1 and the detailed estimate of resources are shown in Tables 2 and 3.

TABLE 1 SUMMARY OF MINERAL RESOURCES – ARIPUANÃ
September 12, 2012

	Tonnage Mt	Grade					Contained Metal				
		Zn %	Pb %	Cu %	Au g/t	Ag g/t	Zn M lb	Pb M lb	Cu M lb	Au Oz	Ag K Oz
AREX											
Measured	2.4	7.15	2.50	0.51	0.24	73	378	132	27	19,000	5,633
Indicated	2.5	3.50	1.18	1.36	0.64	37	195	65	76	52,000	2,996
Inferred	3.2	3.9	1.4	0.8	0.7	39	278	101	57	73,000	4,001
AMBREX											
Indicated	14.2	3.39	1.23	0.07	0.18	29	1,062	386	23	82,000	13,389
Inferred	11.5	5.0	1.7	0.1	0.30	40	1,269	436	36	108,000	14,657
AREX + AMBREX											
Measured + Indicated	19.1	3.87	1.38	0.30	0.25	36	1,635	584	125	153,000	22,018
Inferred	14.7	4.8	1.7	0.3	0.4	39	1,547	536	93	181,000	8,560

Notes:

1. CIM definitions were followed for Mineral Resources.
2. Mineral Resources are reported as within mineralized wireframes modelled at 3% Zn in the stratabound zone and 0.5% Cu in the stringer zone and include internal dilution.
3. The Ambrex resource database does not include results of drilling in 2012.
4. Numbers may not add due to rounding.

Aripuanã's measured and indicated mineral resources total **19.1 million tonnes** containing;

- **1.635 billion pounds of zinc**
- 584 million pounds of lead
- 125 million pounds of copper
- 153,000 ounces of gold and
- **22,018,000 ounces of silver.**

Aripuanã's inferred mineral resources total **14.7 million tonnes** containing;

- **1.547 billion pounds of zinc**
- 536 million pounds of lead
- 93 million pounds of copper
- 181,000 ounces of gold and
- **8,560,000 ounces of silver.**

The two principal mineral deposits at Aripuanã are Arex and Ambrex which host zones of higher grade mineralization which potentially provide significantly enriched mill feed early in the mining sequence, if the deposits are developed. Additionally, the Arex deposit outcrops at surface and thus can be more easily accessed by a decline in the early stages of potential mine development, reducing the development time and costs. The larger Ambrex deposit has an estimated 14.2 million tonnes of indicated resources and 11.5 million tonnes of inferred resources. The pre-feasibility study is expected to study a number of possible configurations, including the use of a 2,500 tonne per day (approximately 900,000 tonne per year) mill operation.

Karmin has a 30% carried interest in Aripuanã and is not required to contribute to the project costs until the completion of a bankable feasibility study.

Arex Mineral Resources

The near surface Arex deposit strikes at approximately 110° azimuth, extending over a strike length of 1,400 metres. Upper portions of the deposit tend to be near-vertical but lower portions dip at 60° to the northeast. Mineralization thicknesses average 30 metres reaching to a maximum of 60 metres. The detailed estimate of the mineral resources at Arex is outlined in Table 2. It should be noted that the stratabound zone carries relatively higher zinc, lead and silver grades while the stringer zone contains relatively higher copper grades.

TABLE 2 SUMMARY OF MINERAL RESOURCES – AREX
September 12, 2012

	Tonnage Mt	Grade					Contained Metal				
		Zn %	Pb %	Cu %	Au g/t	Ag g/t	Zn M lb	Pb M lb	Cu M lb	Au Oz	Ag K Oz
MEASURED											
Stratabound	2.4	7.15	2.50	0.51	0.24	73	378	132	27	19,000	5,633
Total	2.4	7.15	2.50	0.51	0.24	73	378	132	27	19,000	5,633
INDICATED											
Stratabound	1.2	7.10	2.41	0.50	0.26	54	183	62	13	10,000	2,027
Stringer	1.4	0.39	0.11	2.11	0.97	22	12	3	63	42,000	968
Total	2.5	3.50	1.18	1.36	0.64	37	195	65	76	52,000	2,996
MEASURED + INDICATED											
Stratabound	3.6	7.13	2.47	0.50	0.25	67	561	195	40	29,000	7,661
Stringer	1.4	0.39	0.11	2.11	0.97	22	12	3	63	42,000	968
Total	4.9	5.28	1.82	0.94	0.44	55	573	198	102	71,000	8,629
INFERRED											
Stratabound	2.1	5.9	2.2	0.3	0.3	49	271	99	14	20,000	3,315
Stringer	1.1	0.3	0.1	1.7	1.4	19	7	2	43	53,000	686
Total	3.2	3.9	1.4	0.8	0.7	39	278	101	57	73,000	4,001

Notes:

1. CIM definitions were followed for Mineral Resources.
2. Mineral Resources are reported as within mineralized wireframes modelled at 3% Zn in the Stratabound zone and 0.5% Cu in the Stringer zone and includes internal dilution.
3. The Mineral Resource estimate uses drill hole data available as of September 2012.
4. Numbers may not add due to rounding.

The estimated measured and indicated mineral resources in the Arex deposit (Table 2) are;

- stratabound zone; **3.6 million tonnes grading 7.13% zinc, 2.47% lead, 67 grams per tonne silver** and minor copper and gold values,
- stringer zone; **1.4 million tonnes grading 2.11% copper**, 0.97 grams per tonne gold, 22 grams per tonne silver and minor zinc and lead values.

Additionally, the estimate of inferred mineral resources in the Arex deposit is;

- stratabound zone; **2.1 million tonnes grading 5.9% zinc, 2.2% lead, 49 grams per tonne silver** and minor copper and gold values,
- stringer zone; **1.1 million tonnes grading 1.7% copper**, 1.4 grams per tonne gold, 19 grams per tonne silver and minor zinc and lead values.

The pre-feasibility study will also consider the inclusion of mineral resources from the Arex zone and the impact of a life of mine using the proposed 2,500 tonne per day (approximately 900,000 tonne per year) operation. Conceptually, the zinc-lead-silver rich stratabound mineralization would be mined and processed separately from the copper rich stringer material.

The measured and indicated mineral resources at Arex contain;

- **573 million pounds of zinc**
- 198 million pounds of lead
- 102 million pounds of copper

- 71,000 ounces of gold and
- **8,629,000 ounces of silver.**

The inferred mineral resources at Arex contain;

- **278 million pounds of zinc**
- 101 million pounds of lead
- 57 million pounds of copper
- 73,000 ounces of gold and
- **4,001,000 ounces of silver.**

Ambrex Mineral Resources

Ambrex represents the central and largest of the known mineralized zones at Aripuanã. Ambrex is located 1,300 metres southeast of Arex, strikes at approximately 125° azimuth along a 1,300 metre strike length. The dip varies from near vertical to 70° to the northeast. Mineralization thicknesses typically range between 10 metres and 50 metres with a maximum of 150 metres. Drilling to date indicates that Ambrex has an upper depth of 60 metres below surface and mineralization known to a lower level of approximately 350 metres with the deposit still open at depth.

The detailed estimate of the mineral resources at Ambrex is outlined in Table 3. Again, as at Arex, it should be noted that the stratabound zone carries relatively higher zinc, lead and silver grades while the stringer zone contains relatively higher copper grades.

TABLE 3 SUMMARY OF MINERAL RESOURCES – AMBREX
September 12, 2012

	Tonnage Mt	Grade					Contained Metal				
		Zn %	Pb %	Cu %	Au g/t	Ag g/t	Zn M lb	Pb M lb	Cu M lb	Au Oz	Ag K Oz
INDICATED											
Stratabound	14.2	3.39	1.23	0.07	0.18	29	1,062	386	23	82,000	13,389
Total	14.2	3.39	1.23	0.07	0.18	29	1,062	386	23	82,000	13,389
INFERRED											
Stratabound	11.0	5.2	1.8	0.1	0.3	41	1,268	435	21	95,000	14,468
Stringer	0.5	0.1	0.1	1.4	0.8	12	1	1	15	13,000	189
Total	11.5	5.0	1.7	0.1	0.30	40	1,269	436	36	108,000	14,657

Notes:

1. CIM definitions were followed for Mineral Resources.
2. Mineral Resources are reported as within mineralized wireframes modelled at 3% Zn in the Stratabound zones and 0.5% Cu in the Stringer zones and includes internal dilution.
3. The Mineral Resource estimate uses drill hole data available as of July 2012.
4. Numbers may not add due to rounding.

The indicated mineral resources in the relatively large Ambrex deposit (Table 3) are estimated as;

- stratabound zone; **14.2 million tonnes grading 3.39% zinc, 1.23% lead, 29 grams per tonne silver** and minor copper and gold values.

Additionally, the estimated inferred mineral resources in the Ambrex deposit are;

- stratabound zone; **11.0 million tonnes grading 5.2% zinc, 1.8% lead, 41 grams per tonne**

silver and minor copper and gold values.

- stringer zone; **0.5 million tonnes grading 1.4% copper**, 0.8 grams per tonne gold, 12 grams per tonne silver and minor zinc and lead values.

The pre-feasibility study will also consider the inclusion of mineral resources from the Ambrex zone and the impact of a life of mine using the proposed 2,500 tonne per day (approximately 900,000 tonne per year) operation.

The indicated mineral resources at Ambrex contain;

- **1.062 billion pounds of zinc**
- 386 million pounds of lead
- 23 million pounds of copper
- 82,000 ounces of gold and
- **13,389,000 ounces of silver.**

The inferred mineral resources at Ambrex contain;

- **1.269 billion pounds of zinc**
- 436 million pounds of lead
- 36 million pounds of copper
- 108,000 ounces of gold and
- **14,657,000 ounces of silver.**

The estimated mineral resources at Aripuanã include 240 drill holes totalling 45,760 metres at Arex and 129 drill holes totalling 52,687 metres at Ambrex. Drill sections were spaced from 25 metres to 100 metres apart along strike with intercepts on each section spaced 12.5 metres to 50 metres apart down dip. A set of cross sections was interpreted to construct three dimensional wireframe models of the mineralized zones which were modelled at 3% zinc in the stratabound zones and 0.5% copper in the stringer zones. Grades were estimated using ordinary kriging while densities were calculated using regression analysis of density based on the proportional metal content of zinc+copper+lead+iron at Arex and zinc+copper+lead at Ambrex.

Babaçú

The Babaçú deposit lies about 500 metres southeast of Ambrex with a strike length of 600 metres while dipping steeply to the northeast. RPA reviewed 42 drill holes totalling 19,338 metres and estimates that the potential tonnage and grade of mineralization at the Babaçú prospect could be three to six million tonnes grading from 3.0% zinc to 5.0% zinc, 1.0% lead to 2.5% lead, 0.2% copper to 0.5% copper, 0.15 grams per tonne gold to 0.4 grams per tonne gold and 10 grams per tonne silver to 30 grams per tonne silver. The potential quantity and grade is conceptual in nature as there has been insufficient exploration to define a mineral resource, and it is uncertain if further exploration will result in the target being delineated as a mineral resource.

Exploration Potential

In addition to Babaçú, the Aripuanã Zinc Project has significant exploration potential as the deepest hole on the property, FPAR 159 (co-ordinates with datum SAD69 are 8887383.96N, 227007.1E drilled at an azimuth of 212.15 degrees at a dip of -62.45 degrees) was drilled into the deepest zones of the

Ambrex Deposit and intersected mineralization from 635.4 metres to 646.7 metres grading 36.5% zinc, 13.5% lead, 0.1% copper, 1.1 grams per tonne gold and 242.7 grams per tonne silver (Karmin press release dated September 13, 2012). The deepest intersection in FPAR 159 was recorded from 814.1 metres to 821.6 metres and graded 8.8% zinc, 1.8% lead, nil copper, 0.3 grams per tonne gold and 85.1 grams per tonne silver. The true width of these intersections is unknown and these results are not included in the current estimate of mineral resources.

The Aripuanã Zinc Project also hosts additional massive sulphide zones along a 25 kilometer strike length which require additional exploration and have not been included in the current estimate of mineral resources.

Qualified Person

A.E. Olson, FAusIMM, a Qualified Person as defined under NI 43-101, and a consultant to Karmin, has reviewed and approved the technical content of this news release in the form and context in which it appears.

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.

For further information please contact:

David Brace
Chief Executive Officer
Email: davidbrace@karmin.com
Tel: (416) 367-0369

or

John Iannozzi
Chief Financial Officer
Email: johni@karmin.com
Tel: (519) 337-5302

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 "potential," "possible," "expects," "plans," "scheduled," "estimates," "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 or 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 completion and results of the current drilling program, the mineral resource estimates, the timing and completion of the pre-feasibility study and the business plans of Karmin. 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 Aripuanã Zinc Project and the land it relates to is an exploration property 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 Aripuanã Zinc Project include, among others, the timing and content of work programs, results of the development of mineral properties, 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 Brazil, 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.

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.