

# **Karmin announces Milpo's approval of the Purchase of a Participation in the Aripuanã Zinc Project**

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Toronto, Ontario, November 4, 2014 – Karmin Exploration Inc. (“**Karmin**”) (TSXV and the Lima Stock Exchange: KAR) is pleased to report that the Board of Directors of Compañía Minera Milpo S.A.A. (“**Milpo**”) (Lima Stock Exchange: MILPOC1) has approved the purchase of a participation in the Aripuanã Zinc Project (“**Aripuanã**”) from Votorantim Metais Zinc S.A. (“**Votorantim**”) and an interest in the Bongará polymetallic exploration project from Votorantim Metais Cajamarquilla S.A. (“**Cajamarquilla**”). These transactions were disclosed in a letter from Milpo to the Public Registrar of Markets in Peru on October 30, 2014.

The estimated value of the two acquisitions by Milpo is approximately US\$60 million with financing arranged internally. Votorantim has spent C\$44.4 million on the Aripuanã Zinc Project since acquiring its 70% interest from Anglo American PLC in 2003.

Additional details of the two transactions will be disclosed to the market when the negotiations are concluded.

David Brace, Karmin's CEO stated “Karmin has a 30% carried interest in the world class Aripuanã Zinc Project and Milpo's purchase of a participation in Aripuanã is very good news for Karmin's shareholders. Milpo and its subsidiaries are a large Peruvian mining group which produced 200,050 tonnes of zinc in concentrate and had sales of US\$577 million during the period January to September 2014.”

Karmin has approved this transaction as Votorantim may transfer its Aripuanã interest in whole or in part to affiliated companies. Milpo is an affiliate of Votorantim because more than 50% of the common shares of Milpo are owned by Cajamarilla and Votorantim Metais Investimentos Ltd. Karmin expects to receive an update on the 2014 activities at Aripuanã in the immediate future.

## **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. On October 30, 2014 it was reported that the Milpo approved the purchase of a participation in the Aripuanã Zinc Project from Votorantim.

The Summary of Mineral resources at the Aripuanã Zinc Project is outlined in Table 1 (for more information see Karmin press release February 21, 2013).

**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
<b>AREX</b>											
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
<b>AMBREX</b>											
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
<b>AREX + AMBREX</b>											
<b>Measured + Indicated</b>	<b>19.1</b>	<b>3.87</b>	<b>1.38</b>	<b>0.30</b>	<b>0.25</b>	<b>36</b>	<b>1,635</b>	<b>584</b>	<b>125</b>	<b>153,000</b>	<b>22,018</b>
<b>Inferred</b>	<b>14.7</b>	<b>4.8</b>	<b>1.7</b>	<b>0.3</b>	<b>0.4</b>	<b>39</b>	<b>1,547</b>	<b>536</b>	<b>93</b>	<b>181,000</b>	<b>8,560</b>

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.

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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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 the mineral resource estimates 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.

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