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[Karmin Exploration Inc.](#) ("Karmin") (TSXV and the Lima Stock Exchange: KAR) is pleased to announce the filing of a technical report (the "Report") which supports the updated mineral resources located at Karmin's 30% owned Aripuanã Zinc-Lead-Silver Project ("Aripuanã"). The Report was prepared by RPA Inc. ("RPA") and summarizes the results of significantly increased grades of zinc, lead and silver including 18.6 million tonnes of measured and indicated mineral resources (zinc grade +31%, lead grade +40%, silver grade +39%) plus 15.5 million tonnes of inferred mineral resources (zinc grade +12%, lead grade +20%, silver grade +30%). The increases in grades are compared to those reported in Karmin's press release dated February 21, 2013. The updated mineral resources were estimated by Votorantim Metais ("Votorantim") and reviewed by RPA.

The summary of the resource estimate is outlined in Table 1 and includes resources from the Arex, Ambrex and Link deposits. The stratabound (zinc rich) and the stringer (copper rich) mineralization occur in well defined zones that will allow for selective mining methods. The detailed estimate of resources are shown in Tables 3 and 4.

TABLE 1 SUMMARY OF MINERAL RESOURCES – ARIPUANÃ

October 20, 2016

	Tonnage Mt	Grade					Contained Metal				
		Zn	Pb	Cu	Au	Ag	Zn	Pb	Cu	Au	Ag
		%	%	%	g/t	g/t	M lb	M lb	M lb	Oz	K Oz
Measured											
Stratabound (zinc rich)	7.2	6.4	2.4	0.3	0.3	64	1,025	382	40	58,000	14,854
Stringer (copper rich)	1.8	0.3	0.1	1.9	1.4	19	11	5	76	83,000	1,111
Indicated											
Stratabound (zinc rich)	8.7	5.4	2.1	0.1	0.3	48	1,043	402	19	71,000	13,431
Stringer (copper rich)	0.8	0.1	0.1	1.3	1.5	15	3	1	23	40,000	376
Measured & Indicated											
Stratabound (zinc rich)	15.9	5.9	2.2	0.2	0.3	55	2,068	784	59	129,000	28,286
Stringer (copper rich)	2.6	0.2	0.1	1.7	1.5	18	13	6	98	123,000	1,487
Inferred											
Stratabound (zinc rich)	11.3	7.4	2.8	0.1	0.4	66	1,844	692	24	137,000	23,763
Stringer (copper rich)	4.3	0.1	0.1	1.0	3.4	11	5	7	96	470,000	1,496

Notes:

1. CIM definitions were followed for Mineral Resources.
2. Mineral Resources are reported using a US\$48/t NSR cut-off grade.
3. The NSR is calculated based on US\$1.12 per lb Zn, US\$0.84 per lb Pb, US\$2.93 per lb Cu, US\$1233 per ounce Au, and US\$18.50 per ounce Ag.
4. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
5. Numbers may not add due to rounding.

Aripuanã's measured and indicated mineral resources total 18.6 million tonnes containing;

- 2.1 billion pounds of zinc
- 790 million pounds of lead
- 157 million pounds of copper
- 252,000 ounces of gold and
- 29,773,000 ounces of silver.

Additionally, Aripuanã's inferred mineral resources total 15.5 million tonnes containing;

- 1.8 billion pounds of zinc
- 699 million pounds of lead
- 120 million pounds of copper
- 607,000 ounces of gold and
- 25,259,000 ounces of silver.

Votorantim has informed Karmin that the evaluation of Aripuanã will continue throughout 2017 and that there are currently seven drill rigs working on the property. The deposit remains open along strike and at depth.

RPA has prepared the Report, dated March 1, 2017, 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 an additional 109 drill holes totaling 40,687 metres which have been drilled since the previous NI 43-101 technical report in respect of Aripuanã dated January 29, 2013 (the “2013 Report”). A total of 592 drill holes totalling 172,470 metres have been utilized to estimate the updated mineral resources at Aripuanã. The technical report will be available on SEDAR and on Karmin’s website at www.karmin.com within 45 days.

The principal mineral deposits at Aripuanã are Arex, Ambrex and the Link Zone which host zones of higher grade mineralization and 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 will likely provide the majority of the mill feed for any potential mining operation.

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

Increased grade of the Stratabound resources at Ambrex

The drill programs during the past four years have facilitated a more detailed interpretation of Aripuanã’s mineralized zones and have resulted in an increase to the extent of known mineralization. The mineral resource estimate, however, uses a higher cut-off grade than was incorporated into the 2013 Report resulting in a decrease to the tonnage of the resources outlined in the important Ambrex deposit but a very significant increase in the grades of virtually all minerals and especially zinc (+65%), lead (+76%) and silver (+74%) in the measured and indicated category of Ambrex’ resources (Table 2).

Consequently the contained metal in Aripuanã’s current resources are significantly greater than those estimated in the 2013 Report.

TABLE 2 INCREASED GRADE OF STRATABOUND MINERAL RESOURCES – AMBREX

	Tonnage Mt	October 20, 2016 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 (zinc rich) 4.0		6.1	2.3	0.1	0.2	55	539	206	6	28,000	7,148
Indicated											
Stratabound (zinc rich) 8.2		5.4	2.1	0.1	0.3	48	970	378	14	66,000	12,670
Measured & Indicated											
Stratabound (zinc rich) 12.2		5.6	2.2	0.1	0.2	50	1,509	584	20	93,000	19,817
M&I Increase vs. 2012 -14%		65%	76%	8%	32%	74%	42%	51%	-12%	14%	48%
Inferred											
Stratabound (zinc rich) 9.8		7.7	2.9	0.1	0.4	70	1,665	623	17	116,000	21,965
Inf. Increase vs. 2012 -11%		48%	60%	-19%	23%	70%	31%	43%	-17%	22%	52%
	Tonnage Mt	September 12, 2012 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 (zinc rich) -		-	-	-	-	-	-	-	-	-	-
Indicated											
Stratabound (zinc rich) 14.2		3.4	1.2	0.1	0.2	29	1,062	386	23	82,000	13,389
Measured & Indicated											
Stratabound (zinc rich) 14.2		3.4	1.2	0.1	0.2	29	1,062	386	23	82,000	13,389
Inferred											
Stratabound (zinc rich) 11.0		5.2	1.8	0.1	0.3	41	1,268	435	21	95,000	14,468

- Notes:
1. CIM definitions were followed for Mineral Resources.
 2. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
 3. Numbers may not add due to rounding.

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 3.

As the Arex deposit outcrops at surface it would likely be developed early in any mining scenario.

TABLE 3 SUMMARY OF MINERAL RESOURCES – AREX

October 20, 2016

	Tonnage Mt	Grade					Contained Metal					Ag K Oz
		Zn	Pb	Cu	Au	Ag	Zn	Pb	Cu	Au		
		%	%	%	g/t	g/t	M lb	M lb	M lb	Oz		
Measured												
Stratabound (zinc rich)	3.2	6.9	2.5	0.5	0.3	75	485	176	34	30,000	7,705	
Stringer (copper rich)	1.8	0.3	0.1	1.9	1.4	19	11	5	76	83,000	1,111	
Indicated												
Stratabound (zinc rich)	0.5	6.6	2.1	0.4	0.3	47	73	23	4	5,000	760	
Stringer (copper rich)	0.8	0.1	0.1	1.3	1.5	15	3	1	23	40,000	376	
Measured & Indicated												
Stratabound (zinc rich)	3.7	6.8	2.4	0.5	0.3	71	559	200	38	36,000	8,466	
Stringer (copper rich)	2.6	0.2	0.1	1.7	1.5	18	13	6	98	123,000	1,487	
Inferred												
Stratabound (zinc rich)	1.4	5.6	2.2	0.2	0.4	39	179	69	7	20,000	1,798	
Stringer (copper rich)	1.2	0.0	0.1	0.7	3.6	9	1	2	17	139,000	361	

Notes:

1. CIM definitions were followed for Mineral Resources.
2. Mineral Resources are reported using a US\$48/t NSR cut-off grade.
3. The NSR is calculated based on US\$1.12 per lb Zn, US\$0.84 per lb Pb, US\$2.93 per lb Cu, US\$1233 per ounce Au, and US\$18.50 per ounce Ag.
4. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
5. Numbers may not add due to rounding.

The estimated measured and indicated mineral resources in the Arex deposit (Table 3) are;

- stratabound zone; 3.7 million tonnes grading 6.8% zinc, 2.4% lead, 71 grams per tonne silver and minor copper and gold values,
- stringer zone; 2.6 million tonnes grading 1.7% copper, 1.5 grams per tonne gold, 18 grams per tonne silver and minor zinc and lead values.

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

- stratabound zone; 1.4 million tonnes grading 5.6% zinc, 2.2% lead, 39 grams per tonne silver and minor copper and gold values,
- stringer zone; 1.2 million tonnes grading 0.7% copper, 3.6 grams per tonne gold, 9 grams per tonne silver and minor zinc and lead values.

The Arex measured and indicated mineral resources total 6.3 million tonnes and contain;

- 572 million pounds of zinc
- 206 million pounds of lead
- 136 million pounds of copper
- 159,000 ounces of gold and
- 9,952,000 ounces of silver.

The Arex inferred mineral resources total 2.6 million tonnes and contain;

- 180 million pounds of zinc
- 72 million pounds of lead
- 24 million pounds of copper
- 159,000 ounces of gold and
- 2,159,000 ounces of silver.

Ambrex Mineral Resources (including the Link Zone)

Ambrex represents the largest of the known mineralized zones at Aripuanã. Ambrex is located 600 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 60 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 700 metres with the deposit still open at depth.

The Ambrex resources include the newly defined Link Zone which is located in between and along strike of Ambrex and Arex over a strike length of approximately 850 m. There is an approximate 250 m overlap to the northwest with Arex. The mineralization bears a closer similarity to Ambrex in that the stringer zone occurs at a high angle to the stratabound zone. The stratabound mineralization comes close to surface and extends to a depth of 500 m below surface while the stringer zone mineralization occurs around 200 m below surface and extends to a depth of approximately 400 m below surface.

The Link Zone's stratabound mineralization lenses ranges between one metre and 30 m in thickness with an average of approximately nine metres while the stringer zone ranges between one metre and 20 m with an average of approximately five metres true thickness.

The estimate of the mineral resources at Ambrex, including the Link Zone, is outlined in Table 4. 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 and gold grades.

TABLE 4 SUMMARY OF MINERAL RESOURCES – AMBREX (including the Link zone)

October 20, 2016

	Tonnage Mt	Grade					Contained Metal					Ag K Oz
		Zn %	Pb %	Cu %	Au g/t	Ag g/t	Zn M lb	Pb M lb	Cu M lb	Au Oz		
Measured												
Stratabound (zinc rich)	4.0	6.1	2.3	0.1	0.2	55	539	206	6	28,000	7,148	
Stringer (copper rich)	-	-	-	-	-	-	-	-	-	-	-	
Indicated												
Stratabound (zinc rich)	8.2	5.4	2.1	0.1	0.3	48	970	378	14	66,000	12,670	
Stringer (copper rich)	-	-	-	-	-	-	-	-	-	-	-	
Measured & Indicated												
Stratabound (zinc rich)	12.2	5.6	2.2	0.1	0.2	50	1,509	584	20	93,000	19,817	
Stringer (copper rich)	-	-	-	-	-	-	-	-	-	-	-	
Inferred												
Stratabound (zinc rich)	9.8	7.7	2.9	0.1	0.4	70	1,665	623	17	116,000	21,967	
Stringer (copper rich)	3.1	0.1	0.1	1.2	3.3	11	4	5	79	332,000	1,135	

Notes:

1. CIM definitions were followed for Mineral Resources.
2. Mineral Resources are reported using a US\$48/t NSR cut-off grade.
3. The NSR is calculated based on US\$1.12 per lb Zn, US\$0.84 per lb Pb, US\$2.93 per lb Cu, US\$1233 per ounce Au, and US\$18.50 per ounce Ag.
4. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
5. Numbers may not add due to rounding.

The measured and indicated mineral resources in the relatively large Ambrex deposit (Table 4) and the along strike Link Zone are estimated as;

- stratabound zone; 12.2 million tonnes grading 5.6% zinc, 2.2% lead, 50 grams per tonne silver and minor copper and gold values.

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

- stratabound zone; 9.8 million tonnes grading 7.7% zinc, 2.9% lead, 70 grams per tonne silver and minor copper and gold values.
- stringer zone; 3.1 million tonnes grading 1.2% copper, 3.3 grams per tonne gold, 11 grams per tonne silver and minor zinc and lead values.

The Ambrex and Link Zone measured and indicated mineral resources total 12.2 million tonnes and contain;

- 1.5 billion pounds of zinc
- 584 million pounds of lead
- 20 million pounds of copper
- 93,000 ounces of gold and
- 19,820,000 ounces of silver.

The Ambrex and Link Zone inferred mineral resources total 12.9 million tonnes and contain;

- 1.7 billion pounds of zinc
- 628 million pounds of lead
- 96 million pounds of copper
- 448,000 ounces of gold and
- 23,099,000 ounces of silver.

Drilling and Modelling Details

The estimated mineral resources in the Report at Aripuanã include 307 drill holes totalling 58,089 metres at Arex and 225 drill holes totalling 89,375 metres at Ambrex and Link Zone. Drill sections were spaced between 25 metres to 100 metres apart along strike with intercepts on each section spaced 12.5 metres to 50 metres apart down dip. Wireframe solids have been developed in Leapfrog Geo using vein system modeling at a nominal 0.6% Zn cut-off grade in the stratabound type mineralization and 0.5% Cu in the stringer type mineralization. A block model was prepared using block sizes measuring 10 metres by 5 metres by 5 metres, sub-blocked at wireframe boundaries. Grade and density was estimated using ordinary kriging and were validated by both Votorantim and RPA using industry standard validation techniques including visual validation, mean comparisons and swath plots.

Babaçú

The Babaçú deposit lies about 500 metres southeast of Ambrex with a strike length of 600 metres while dipping steeply to the northeast. In the 2013 Report, 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 (Karmin press release February 21, 2013). 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 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 hole 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 and these results are included in the current estimate of mineral resources. The deposit remains open to depth.

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

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 Aripuanã, one of the ten largest undeveloped zinc projects in the world. Aripuanã 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 the remaining 70% of Aripuanã, but is responsible for 100% of the project costs until 12 months after the completion of a 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.

Qualified Person

The Mineral Resources for Arex and Ambrex disclosed in this press release have been prepared by Votorantim and reviewed by Ms. Valerie Wilson, P.Geo., an employee of RPA and independent of Karmin. The Mineral Resources for the Link Zone

disclosed in this press release have been prepared by Votorantim and reviewed by Mr. Sean Horan, P.Geo., an employee of RPA and independent of Karmin. Ms. Wilson, P.Geo. and Mr. Sean Horan P.Geo. have read and approved the contents of this press release as it pertains to the disclosed Mineral Resource estimate.

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 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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