

KARMIN EXPLORATION INC.
133 Kendall Street
Point Edward, Ontario
N7V 1G6

October 31, 2000

NOVA SCOTIA SECURITIES COMMISSION

Joseph Howe Building
1690 Hollis Street
P.O. Box 458, 2nd Floor
Halifax, NS
B3J 3J9

Attention: Executive Director

Dear Sir or Madam:

ALBERTA SECURITIES COMMISSION

410-300 5th Avenue SW
Calgary, Alberta
T2P 3C4

Attention: Executive Director

Dear Sir or Madam:

ONTARIO SECURITIES COMMISSION

20 Queen Street
P.O. Box 55, 18th Floor
Toronto, ON
M5H 3S8

Attention: Executive Director

Dear Sir or Madam:

**BRITISH COLUMBIA SECURITIES
COMMISSION**

200-865 Hornby Street
Vancouver, BC
V6Z 2H4

Attention: Executive Director

Dear Sir or Madam:

**Re: Karmin Exploration Inc. (the "Corporation" or "Karmin")
MATERIAL CHANGE REPORT UNDER SECTION 118**

This letter is intended as a statement setting forth certain matters that may be a material change in the affairs of the Corporation. For convenience, this letter is itemized in the same manner as Form 27 of the *Securities Act* (Ontario) and other corresponding applicable forms.

Item 1 - Reporting Issuer

Karmin Exploration Inc.
133 Kendall Street
Point Edward, Ontario
N7V 1G6

Item 2 - Date of Material Change

The material changes occurred on or about October 27, 2000.

Item 3 - Publication of Material Change

Press Releases were issued on October 27, 2000 by BCE Emergis E-News Services, Toronto, Ontario.

Item 4 - Summary of Material Change

Karmin Exploration Inc. today announced that it intends to issue an aggregate of 5,155,532 common shares at a deemed price of \$0.33 per share to a non-arms length party in settlement of debt in the amount of \$1,701,325. This transaction will not result in a change of control and is subject to all applicable regulatory approvals.

Item 5 - Full Description of Material Change

Karmin Exploration Inc. today announced that it intends to issue an aggregate of 5,155,532 common shares at a deemed price of \$0.33 per share to a non-arms length party in settlement of debt in the amount of \$1,701,325. This transaction will not result in a change of control and is subject to all applicable regulatory approvals.

“Results from the latest exploration work in Brazil show that the Aripuana project is maturing,” said Robert Ciccarelli, President and CEO. “The debt conversion achieves two key aims: First, the debt on our books is converted to strengthen the balance sheet and, second, it reduces our burn rate by eliminating monthly interest payments.”

As previously announced, the latest stepout drillhole (160-meter stepout) to the west of the 11.65-million-tonne Valley deposit intersected 9 meters of 16.6% zinc, 5.4% lead and 156 grams per tonne silver. The intersection, drilled by joint-venture partner Anglo American, significantly increases both the tonnage and grade potential of the property.

Karmin Exploration Inc. is a base and precious metal exploration company with property in Brazil. The Company’s shares are listed on the Canadian Venture Exchange under the symbol “YKA”.

Updates can be found on the Company’s web site: www.karmin.com

Item 6 - Reliance of Section 75(3) of the Securities Act (Ontario) and/or 81(3) of the Securities Act (Nova Scotia)

N/A

Item 7 - Senior Officer

The name of a Senior Officer of the Corporation who is knowledgeable about the material change and who can be contacted by the Commission is:

John Iannozzi
133 Kendall Street
Point Edward, Ontario
N7V 1G6

Phone: 519-337-0535
Fax: 519-337-0543

The foregoing accurately discloses the material change referred to herein.

DATED this 31st day of October, 2000.

Yours truly,

KARMIN EXPLORATION INC.

Per: “Signed”
John Iannozzi, Chief Financial Officer