

AMENDED AND RESTATED MATERIAL CHANGE REPORT

1. **Name and Address of Company**

Karmin Exploration Inc.
133 Kendall Street
Point Edward, Ontario
N7V 4G6

2. **Date of Material Change**

March 15, 2010

3. **News Release**

Karmin Exploration Inc. (“**Karmin**”) issued the news release attached hereto as Appendix “A” on March 22, 2010 through the facilities of Marketwire.

4. **Summary of Material Change**

On March 19, 2010, Karmin announced that it entered into a share exchange agreement dated March 12, 2010 for the acquisition (the “**Acquisition**”) by Karmin of all the outstanding ordinary shares of Ignite Energy Resources Pty Ltd (“**Ignite**”), an Australian company which holds certain exploration rights to a lignite (brown coal) deposit in Gippsland in Eastern Victoria, Australia as well as certain proprietary technology for a catalytic hydrothermal reactor (Cat-HTR) that transforms low grade lignite into high grade oils and higher grade coal products.

Under the share exchange agreement, Karmin will acquire all of the outstanding ordinary shares of Ignite in exchange for the issuance by Karmin of its common shares. Each Ignite ordinary share will be exchanged for one common share of Karmin. Additionally, Karmin will assume all of the issued and outstanding convertible securities of Ignite. In connection with, and immediately prior to the share exchange and the completion of the transaction, Karmin will consolidate its current issued and outstanding common shares on a 6:1 basis. The Acquisition will result in a reverse take-over of Karmin for the purposes of the policies of the TSX Venture Exchange and a new board of directors of Karmin will be elected.

Completion of the Acquisition is subject to the satisfaction or waiver of a number of conditions, including, approval of the TSX Venture Exchange, there not being a material adverse effect relating to Ignite or Karmin, completion of due diligence, receipt of all applicable regulatory approvals including Foreign Investment Review Board and Australian Securities and Investments Commission, approval by Ignite’s shareholders holding at least 90% of Ignite ordinary shares at a meeting of such shareholders and approval by Karmin’s shareholders of the Acquisition and related matters by the shareholders of Karmin at a special meeting, at which a proposal will be made to change Karmin’s name to include “Ignite” in its name.

Concurrently with the Acquisition, Ignite expects to raise at least \$30 million (unless otherwise mutually agreed between the parties) in equity (the “**Brokered Financing**”). It is anticipated the Brokered Financing will be completed on a private placement basis by way of the sale of ordinary shares of Ignite, which is expected to close immediately prior to the share exchange in connection with the Acquisition. The net proceeds of the Brokered Financing are expected to be used to fund the combined company’s business operations and for general corporate purposes.

5. **Full Description of Material Change**

See the press release attached hereto as Appendix “A”.

6. **Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Not applicable.

7. **Omitted Information**

Not applicable.

8. **Executive Officer**

To speak to an executive officer who is knowledgeable about the material change, please contact William Fisher, Chief Executive Officer at (416) 367-0369.

9. **Date of Report**

March 22, 2010

APPENDIX “A”

Karmin Exploration Inc. to acquire Ignite Energy Resources Pty Ltd. by way of Reverse Take-Over

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

Toronto, Ontario, March 22, 2010 – Karmin Exploration Inc. (“**Karmin**”) (TSXV: KAR) today updated its announcement on March 19, 2010 regarding the proposed Acquisition involving Ignite (as such terms are defined below). Under the heading, Selected Financial Information in Karmin’s March 19, 2010 news release, Karmin reported that Ignite had a net loss of A\$2,568,461 for its financial year ended December 31, 2007 and a net loss of A\$9,092,112 for the financial year ended December 31, 2008. Due to an administrative error, Karmin reported that Ignite had net income of A\$5,290,103 for the financial year ended December 31, 2009 when such amount should have been report as a net loss. Accordingly, the following is an amended and restated press release announcing the Acquisition and related matters.

* * *

Toronto, Ontario, March 19, 2010 – Karmin Exploration Inc. (“**Karmin**”) (TSXV: KAR) today announced that it entered into an agreement dated March 12, 2010 (the “**Agreement**”) for the acquisition (the “**Acquisition**”) by Karmin of all the outstanding ordinary shares of Ignite Energy Resources Pty Ltd (“**Ignite**”), an Australian company which holds certain exploration rights to a lignite (brown coal) deposit in Gippsland in Eastern Victoria, Australia as well as certain proprietary technology for a catalytic hydrothermal reactor (Cat-HTR) that transforms low grade lignite into high grade oils and higher grade coal products.

Trading in the shares of Karmin has been halted in accordance with the policies of the TSX Venture Exchange (“**TSXV**”) and will remain halted until such time as all required documentation has been filed with and accepted by the TSXV and permission to resume trading has been obtained from the TSXV.

The Acquisition

Under the Agreement, Karmin will acquire all of the outstanding ordinary shares of Ignite in exchange for the issuance by Karmin of its common shares. Each Ignite ordinary share will be exchanged for one common share of Karmin. Additionally, Karmin will assume all of the issued and outstanding convertible securities of Ignite. There are approximately 38.5 million common shares of Karmin and approximately 168 million ordinary shares of Ignite currently outstanding. In connection with, and immediately prior to the share exchange and the completion of the Acquisition, Karmin will consolidate its current issued and outstanding common shares on a 6:1 basis. On the last day prior to entering into the Agreement, the closing price of the common shares of Karmin on the TSXV was \$0.20 per common share. As a result of the share exchange Ignite will become a wholly-owned subsidiary of Karmin. The Acquisition will result in a reverse take-over (“**RTO**”) of Karmin for the purposes of the policies of the TSXV and a new board of directors of Karmin will be elected.

Completion of the Acquisition is subject to the satisfaction or waiver of a number of conditions, including, approval of the TSXV, there not being a material adverse effect relating to Ignite or Karmin, completion of due diligence, receipt of all applicable regulatory approvals including Foreign Investment Review Board and Australian Securities and Investments Commission, approval by Ignite’s shareholders holding at least 90% of Ignite ordinary shares at a meeting of such shareholders and approval by Karmin’s shareholders of the Acquisition and related matters by the shareholders of Karmin at a special meeting, at which a proposal will be made to change Karmin’s name to include “Ignite” in its name.

The parties have agreed to customary deal protection measures including mutual non-solicitation provisions. Also, each party has agreed to pay a \$250,000 break fee to the other party, if, among other things, the Acquisition does not proceed as a result of the non-satisfaction of certain conditions by the party, the party's board of directors withdraws its support in relation to the Acquisition, or an acquisition proposal is made and the shareholders of the party do not approve the Acquisition and the acquisition proposal is consummated within six months from the date of such acquisition proposal.

A copy of the Agreement will be filed today with the applicable Canadian provincial securities regulatory authorities and will be available under Karmin's SEDAR profile at www.sedar.com. Karmin expects to mail a management information circular to its shareholders in April, 2010 in connection with its special meeting, which is scheduled to take place in May, 2010. The closing of the Acquisition is expected to occur as soon as possible thereafter.

Karmin intends to apply to the TSXV for a waiver from the requirement to retain a sponsor in connection with the Transaction; however, there is no assurance that such a waiver will be granted.

The Brokered Financing

Concurrently with the Acquisition, Ignite expects to raise at least \$30 million (unless otherwise mutually agreed between the parties) in equity (the "**Brokered Financing**"). It is anticipated the Brokered Financing will be completed on a private placement basis by way of the sale of ordinary shares of Ignite, which is expected to close immediately prior to the share exchange in connection with the Acquisition. The net proceeds of the Brokered Financing are expected to be used to fund the combined company's business operations and for general corporate purposes.

Ignite and Karmin are currently in discussions with registered dealers concerning the Brokered Financing but there is no assurance that an agreement to undertake a financing will be reached or that such financing will be completed. Further details regarding any Brokered Financing will be made available upon Karmin and Ignite reaching an agreement to undertake such financing.

About Ignite

Ignite is an Australian proprietary limited company incorporated in the state of Victoria that is subsisting under the *Corporations Act 2001 (Cth) (Australia)*. Ignite was originally incorporated on December 20, 2005 as Victoria Coal Resources Pty Ltd and subsequently changed its name to Ignite Energy Resources Pty Ltd when it merged with Ignite Energy Pty Ltd in August 2008.

Ignite has the sole beneficial interest in exploration license EL 4416 covering approximately 3,800 square kilometres in Victoria, Australia.

The lignite resource within the three main deposits on Ignite's properties are described below under National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") as outlined in the technical report effective January 25, 2010 that was prepared by AMC Consultants Pty Ltd ("**AMC Report**"):

<u>Deposit</u>	<u>Classification</u>	<u>Tonnes (Millions)</u>	<u>Ash (%)</u>	<u>Moisture (%)</u>
Gormandale	Measured	2,300	4.0	65.8
	Indicated	1,600	4.4	64.4
	Total Measured & Indicated	3,960	4.2	65.2
Gelliondale	Measured	280	6.9	64.4
	Indicated	2,980	6.0	61.1
	Total Measured & Indicated	3,260	6.1	61.4

Stradbroke	Measured	-	-	-
	Indicated	2,580	3.4	57.0
	Total Measured & Indicated	2,580	3.4	57.0

Inferred resources within the AMC Report for these three deposits account for an additional 6.59 billion tonnes of lignite.

This resource is easily accessible with the lignite being low in sulphur, ash and heavy metals, which Ignite believes makes it ideal for upgrading to higher-value oils and upgraded coal via Ignite's proprietary coal to liquids process. The above resources for each of the three deposits have been estimated using block models based on the interpretation of coal seam structure using State Electricity Commission of Victoria ("SECV") cross-sections and drilling.

Resources

The lignite resource estimate is based on the following data, procedures and parameters:

- Drillhole database of 479 holes within the lease boundary EL4416 and provided by GHD Pty Ltd ("GHD") from data compiled by the SECV and checked by AMC Consultants Pty Ltd ("AMC") for reasonableness and internal consistency.
- The geological interpretation of seams was supported by in cross section, existing cross-section or geophysical logs of 17 drillholes.
- A total of 302 holes were analysed for coal quality data.
- A standard resource estimation procedure was applied involving:
 - Seam interpretation and domaining,
 - Compositing of samples, flagging and composites,
 - Statistical and geostatistical studies,
 - Establishment of quality interpolation parameters (ash<10%),
 - Creation of a block model,
 - Coal quality data interpolation into blocks using inverse distance squared method or ordinary kriging,
 - Application of bulk density factors to convert volumes to tonnages consistent with values used by SECV and the Department of Minerals and Energy, and
 - Resource classification based on data quantity, quality and distribution and confidence in the geological interpretation.

The resource estimates were based on the following criteria:

- Within the EL 4416 lease boundary.
- Overburden less than 100m.

- Be above 200-300m below the topographic surface.
- Contain ash less than 10%.

There are a number of factors that affect confidence in the resource estimate and prevent the resource from being classified as measured despite the good seam continuity:

- Small datasets of drillholes and quality analyses.
- Wide drillhole spacing.
- Problems associated with difficulties in drilling managed by AMC, including:
 - Insufficient sampling,
 - Core loss, and
 - Poor core recovery.

Karmin intends to file the AMC report not later than 45 days following this news release, in compliance with NI 43-101.

Geological Setting

Regional Geology

Coal deposits within EL4416 are part of the major lignite measures of the Gippsland Basin.

The Gippsland basin containing the three deposits on EL4416 can be divided into several distinct structural regions. Major lignite deposits exist in the Latrobe Valley Depression, the Seaspray Depression (Gormandale and Stradbroke deposits) and the Alberton Depression (Gelliondale deposit).

Local Geology

Tertiary strata, known as the Latrobe Valley Coal Measures, unconformably overlie a Lower Cretaceous basement. Within the Gippsland Basin three groups of major coal seams are developed, which are named, from oldest to youngest, Traralgon, Morwell and Yallourn. The Yallourn Formation is not present at Stradbroke, Gormandale or Gelliondale, while the Morwell Formation is not present at Stradbroke. The seams at Gelliondale are equivalents of the Morwell seams.

Gormandale Project Area Geology

The Gormandale area contains coal seams of the Morwell and Traralgon Formations. The greater part of the coal is contained in three seams of the Traralgon while minor amounts are present in four seams of the Morwell Formation.

Seams generally reach their maximum thickness in the southern end of the Gormandale Syncline near the edge of the erosional surface. The T+ seam reaches a thickness of approximately 30m whilst T1 and T2 reach thickness of 70m and 80m respectively. The Traralgon seam can be traced continuously from the Loy Yang area across the Baragwanath Anticline and into the Gormandale Syncline. The Morwell seams are thinner than the Traralgon seams, generally around 20m to 30m in thickness and are only located in southern part of the Gormandale Syncline.

Gelliondale Project Area Geology

The Gelliondale coalfield is located within the Alberton Depression in the Gippsland Basin. Four coal seams occur, locally named Gelliondale A, B, C and D which are equivalent to Morwell seams in the Latrobe Valley. Several of these seams combine to form a thick sequence of coal, up to 150m thick in places. The seams also thin and lens out as the distance from the Hedley Dome increases.

Stradbroke Project Area Geology

The Stradbroke coalfield is located in the Latrobe Valley Depression area of the Gippsland Basin.

The two main coal seams are the T1 and T2 seams of the Traralgon Formation. They have an average thickness of 20m and 95m respectively and an average sand/clay interburden of 35m.

Lignite characteristics

Overall, Victorian lignite is typically low in ash, sulphur, heavy metals and nitrogen. It ranks above deposits in Texas, Indonesia, Spain, Greece and Germany. The following table lists the typical characteristics of Victorian lignite:¹

<u>Characteristic</u>	<u>Property</u>
Energy value (net wet)	5.8 to 11.5 Mj/kg
Energy value (gross dry)	25 to 29 Mj/kg
Moisture	50 – 70%
Carbon	64 – 70%
Oxygen	25 – 30%
Hydrogen	4.0 – 5.5%
Ash	<4%
Nitrogen	<1%
Sulphur	<1%

Cat-HTR

Ignite has developed a low-carbon emission technology (Cat-HTR) which converts low ranked energy sources such as lignite (brown coal) and cellulosic biomass such as wood wastes, agricultural residues or algae and aquatic plants, into non-conventional crude oil (“**Ignite Oil**”). The Ignite Oil shares certain characteristics with conventional crude, including: light, medium and heavy fractions and has a calorific value of approximately 85% of that of conventional crude oil. An upgraded coal (“**Upgraded Coal**”) with similar characteristics (e.g. high carbon and low volatiles) to pulverised coal (PCI) used in the iron and steel industries is produced when lignite is converted using Cat-HTR, as described in the January 2010 report prepared by Australian Carbon Assets Pty Ltd.

Technology Platform (Cat-HTR)

In mid-2008, Ignite built and continues to operate a 2.5 inch reactor bore continuous flow Cat-HTR pilot plant module located in Somersby, Australia (north of Sydney). Ignite has successfully processed lignite of various origins into Ignite Oil and Upgraded Coal. Since then, the pilot plant module has operated for hundreds of hours and the design and operation have been optimized.

¹ Source: Department of Primary Industry Victoria

Ignite and TRUenergy Development Pty Ltd (“**TRUenergy**”) (owned by Hong Kong based China Light & Power) signed a memorandum of understanding in June 2009 to allow Ignite to develop a modest scale-up Cat-HTR (4 inch bore reactor). The project envisions that up to three modules may be installed with the first module to supply a mixture of oil and coal to TRUenergy’s 1480 MWe Yallourn power plant for testing in their existing boilers. Depending upon the mutual goals of TRUenergy and Ignite, the plant may be expanded to include product upgrading and/or larger through-put capacity. The Yallourn brown coal mine and power station (open cut 18MMT/annum) is located in the Latrobe Valley, 150 kilometers east of Melbourne. The station supplies approximately 22% of Victoria’s electricity needs and 8% of Australia’s electricity needs.

Ignite has also signed an exploration joint venture (“**Joint Venture**”) agreement with Laxmi Resources Pty Ltd (“**Laxmi**”), a special purpose vehicle that intends to develop, when feasible, an open cut lignite mine on an area of Ignite’s EL 4416 known as Gelliondale.

The first stage for the Joint Venture is to apply for a mining license for Gelliondale, to be funded by Laxmi. As part of the joint venture agreement Ignite will receive a form of royalty pre-payment in the amount of \$8 million (Australian Dollars) within the next two months. The prepayment reflects a proposed future royalty payable by the Joint Venture to Ignite equal to \$0.50 (Australian Dollars) per tonne of lignite mined from the Gelliondale project if developed.

Management of the Combined Company

Upon completion of the Acquisition and its related transactions, it is contemplated that the following individuals will comprise the management team and board of directors of Karmin. Additional directors and/or officers may be selected prior to the completion of the Acquisition.

Directors

Dr. Leonard J. Humphreys – Proposed Director and Chief Executive Officer

Dr. Humphreys has been the Chief Executive Officer of Ignite since September 2008 when Ignite Energy Pty. Ltd was acquired by Victoria Coal Resources Pty Ltd (“**VCR**”) to form Ignite.

In 2007 Dr. Humphreys, a chartered chemist, founded Ignite Energy Pty. Ltd and was instrumental in the conception and development of the Catalytic Hydro-Thermal Reactor – the core technology used by Ignite and its wholly-owned subsidiary Licella Pty Ltd.

Dr. Humphreys has had a long career in the energy and renewable energy sector. Dr. Humphreys also served as the Managing Director of IBA Health Ltd (now Isofit), a healthcare information technology software provider listed on the Australia Securities Exchange from 2002 to 2004 and Novera Energy Plc, a renewable energy company now listed on the Alternative Investment Market (“**AIM**”) in London from 1999 to 2002.

Dr. Humphreys also held Managing Director and regional president roles inside the European Invensys Group of companies based in Australia from 1996 to 1999. European Invensys Group is one of the world’s largest information technology, industrial process and system automation companies. In Europe, Dr. Humphreys was a senior executive inside the Mannesmann Group, the German multinational specializing in engineering, manufacturing and telecommunications and held the title Director of the Analytical Division of Hartmann and Braun UK from 1991 to 1996.

Dr. Steve Mahon – Proposed Director

Dr Steve Mahon was the co-founder of Low Carbon Accelerator, a leading venture capital fund specialising in clean technology. Mr. Mahon has had a successful career in commercialising low carbon technologies with over 15 years in the sector and a track record in selecting and managing high growth low carbon companies, both in the private and public markets. Mr. Mahon combines a detailed understanding across a wide range of clean technologies with the first hand experience of growing early stage businesses.

Prior to forming Low Carbon Accelerator, Mr. Mahon had been a main Board member of Pursuit Dynamics plc, the technology development and licensing business, which was a top performing small-cap engineering stock on the AIM during 2003 and 2004; and of Sentec Ltd, the smart grid technology specialist, that became one of the fastest growing technology companies in Europe during 2001 to 2003. Mr. Mahon started his career in QinetiQ Group PLC the defence technology company. Mr. Mahon has a first class degree and PhD in Geophysics.

Mr. Larry Ciccarelli – Proposed Director and Chairman

Larry Ciccarelli holds a Bachelors Degree from the University of Western Ontario. Mr. Ciccarelli is the Vice-President and Secretary of Karr Securities Inc. (“**Karr**”), a private investment firm. Mr. Ciccarelli also serves as Chairman of the board of directors of GlobeStar Mining Corporation (“**GlobeStar**”), a Toronto Stock Exchange listed mining company. Since 1989 Mr. Ciccarelli has served as senior partner and shareholder of Karr. GlobeStar was a recipient of the 2009 Ontario Business Achievement Award for Corporate Governance issued by the Ontario Chamber of Commerce.

Mr. Ciccarelli has served as founder and Chief Operating Officer of Sarmin Exploration Corporation (“**Sarmin**”) since 1997, a privately held corporation prior to its acquisition by GlobeStar (TGW Corporation). Mr. Ciccarelli, through Sarmin, was responsible for the acquisition of Corporacion Minera Dominicana (“**CMD**”), a wholly owned subsidiary of Falconbridge International Investment Limited (“**Falconbridge**”). CMD was Falconbridge’s Latin American exploration company. Through CMD, Sarmin acquired Falconbridge’s exploration staff, its assets, including all the exploration data.

Mr. Ciccarelli served as director and subsequent Chairman of GlobeStar. As a founder of GlobeStar, he was responsible for the acquisitions of the Cerro de Maimón deposit from Falcondo (also known as Falconbridge Dominicana, C. por A.), Falconbridge’s nickel operations in the Dominican Republic.

Prof. Dr. Thomas Maschmeyer – Proposed Director

Prof. Dr. Maschmeyer is co-founder of start-up companies, Ignite and Licella Pty Ltd. Born in Hamburg, he completed his PhD at the University of Sydney in 1995 and then moved to the United Kingdom for research appointments in London and Cambridge. After his positions as Professor, Head of Department, and Vice-Chairman at the Delft Institute of Chemical Technology, he returned to Australia as Australian Research Council (“**ARC**”) Federation Fellow in late 2003 and was recently awarded a Professorial ARC Future Fellowship. Together with Ian Maxwell, he had a leading role in spinning out a combinatorial catalysis company, Avantium Technologies BV, in 2000.

Prof. Dr. Maschmeyer serves on the editorial boards of five international journals, is President of the Catalysis Society of Australia as well as advisor and consultant to many governmental bodies and companies. He received the 2007 Le Fevre Prize of the Australian Academy of Sciences for outstanding basic research in chemistry by scientists under 40.

Dr. Maschmeyer will also serve as technological consultant to Ignite.

Mr. Richard Kapuscinski – Proposed Director

Mr. Kapuscinski is Vice President Sales at Turbo Power Systems Inc., responsible for business development in the Americas. Turbo Power Systems Inc. is a designer and manufacturer of products for power generation and power conditioning. From 1986 to 1999, he worked as a Sales Marketing Manager with Tyco International (US) Inc. (formerly Keystone Valve). Mr. Kapuscinski is a Certified Mechanical Engineering Technologist and is a member of the Ontario Association of Certified Engineering Technicians and Technologists and the Instrument Society of America. Mr. Kapuscinski studied Mechanical Engineering at Lambton College in Sarnia, Ontario, Canada focussing on the petroleum and petrochemical industry.

Mr. Kapuscinski served on the board of directors of Gastar Exploration Ltd. for seven years from 2000 to 2007. Gastar Exploration Ltd. (AMEX and Toronto Stock Exchange) is an exploration and production gas company focused on both conventional deep gas and coalbed methane development.

Senior Management

Dr. John White – Senior Vice President, Carbon Bridge Division

Dr. White commenced as Chief Executive at Victoria Coal Resources (“VCR”) in 2006. Dr. White had an extensive involvement with Woodside Petroleum Ltd’s North West Shelf offshore domestic gas and LNG development as Senior Engineer and Resident Engineer from 1978 to 1983. As General Manager of Eglo Engineering Ltd, Dr. White instigated and managed the RAN Submarine Project tenders, and subsequently headed the teams that successfully tendered for the purchase of Williamstown Naval Shipyard from the Australian Government in 1987, as well as the completion of the Australian Frigate Project (two FFGs) and the \$5 billion ANZAC Frigate Project (ten ANZACs). Dr. White was chief executive officer of Transfield Defence Systems from 1988 to 1996, Global chief executive officer of the recycling and packaging group, Visy Industries from 1996 to 1998, Managing Director of the building products and distribution group, Siddons Ramset Ltd from 1998 to 2000, and chief executive officer/chairman of Global Renewables Pty Ltd from 2000 to 2006. Dr. White has been director of a number of publicly listed Australian companies, and was chairman of the Australian Government’s Uranium Industry Framework (2006 to 2007) and a member of the Australian Government’s Defence Procurement Board (1999 to 2003 and 2004 to 2008).

Mr. John Gulbis – Senior Vice President, Projects

Mr. Gulbis, the Project Director of Ignite, is a chemical engineer and experienced project manager. As head of engineering operations for two of the world’s largest information technology and industrial process automation companies, Honeywell International Inc. (1985 to 1996) and Invensys PLC (1996 to 1999). Mr. Gulbis led the implementation of numerous major technology projects both locally and internationally. Mr. Gulbis has also held various senior management positions in the telecommunications and health information technology industries. Most recently from 2004 to 2007, Mr. Gulbis was project director at Australian Biodiesel Group Limited and was responsible for the design, construction and commissioning of Australia’s largest (160 ML pa) biodiesel production plant at Narangba, Qld. based on technology developed at the company’s Berkeley Vale NSW R&D facility.

Mr. John A. Iannozzi – Senior Vice President Finance and Chief Financial Officer

Mr. Iannozzi is the current Chief Financial Officer and a director of Karmin. Mr. Iannozzi is a founder and a director of GlobeStar and acted as the Chief Financial Officer of GlobeStar from September 2002 to December 2006. GlobeStar was a recipient of the 2009 Ontario Business Achievement Award for Corporate Governance issued by the Ontario Chamber of Commerce. In addition, Mr. Iannozzi is president of Joranco Corporation and a director and Treasurer of Karr Securities Inc., both of which are

private investment companies where he has served since 1993. Mr. Iannozzi has been a Chartered Accountant since 1987 after obtaining an Honours Bachelor of Commerce degree from the University of Windsor, Ontario in 1985. From 1987 until 1994, Mr. Iannozzi was a Manager at BDO Dunwoody LLP and Coopers and Lybrand LLP.

Mr. Gordon Ewart – General Manager Commercial

Mr. Ewart qualified as a Chartered Accountant in 1996 having worked for KPMG from 1990-2000. During that time Mr. Ewart established an Energy Solutions Team. He has 11 years experience in renewable energy markets from greenfield project development through to large scale mergers and acquisitions and project financing with Novera Energy Limited from 2001 to 2007, a company listed on the AIM. More recently Mr. Ewart has been working in biomass and biofuels with The Energy Crops Company Ltd in the United Kingdom.

Dr. Ian Maxwell – Senior Vice President, Ignite New Zealand

The career of Dr. Ian Maxwell has encompassed some 29 years in research, technology and new business development with the Royal Dutch Shell PLC group of companies and a position at the senior global executive level from 1994 to 2000. He was also the co-founder and chief executive officer of two successful high technology European start-up companies, Avantium Technologies BV and Crystallics BV. These two companies, with a focus on high throughput process technology as applied to the energy, chemical and pharmaceutical business sectors have since merged and are based in the Netherlands. On returning to New Zealand, he held the position of general manager at Auckland UniServices, the commercial arm of Auckland University, from 2003 to 2007. More recently he has been the co-founder and chief executive officer of Maxall Energy, a non-conventional fuels company based in New Zealand, prior to its acquisition by Ignite in 2010.

Mr. Perry Toms – Senior Vice President, Business Development

Mr. Toms has held key managerial and executive positions within the conventional and renewable energy industry as well as direct experience in waste and water infrastructure industry since 1990. Over the past decade Mr. Toms has played key executive roles in taking two renewable energy companies public including the AIM listed Novera Energy Ltd. (2000 – 2003 Executive Director, Business Development) and the former Australian Stock Exchange listed ABG Biodiesel Limited (2004- 2006 President, North America).

Over the past seven years, Mr. Toms has assisted energy companies through his Canadian consultancy Ad Vantage Strategies Ltd. such as the City of Calgary's electric energy utility ENMAX Corporation (2003-2004 Director Business Development) as well as a number of small manufacturing and energy technology firms. Services offered by Ad Vantage Strategies Ltd. included turn-around management, business development and corporate financing assistance.

During the 1990's, Mr. Toms worked with TransAlta Corporation (1990 – 1997) and lead the development of one of North America's largest municipal solid waste to compost (1995 – 1997 Edmonton Alberta) projects; from 1997 as Director of Business Development of Energy Developments Ltd (Australia) and its then Brightstar Division he developed biomass thermal gasification and waste biomass to energy projects in Australia (Solid Waste Energy Recovery Facility, Wollongong) and the United Kingdom. Over the course of his career, Mr. Toms has led the development of many one-of-a-kind infrastructure projects including Carbon Offset (JI) projects in India, China, South America and carbon sequestration projects in North America.

Principal Shareholders

No person is expected to own or control 10% or more of the outstanding common shares of Karmin after the completion of the Acquisition (but prior to the Brokered Financing).

Except as set out below, no one person presently owns or controls 10% or more of the ordinary shares of Ignite:

Name	Jurisdiction of Residence	Shareholding (%)
Cellulo Pte Ltd	Malaysia	16.7%
CBM Resources Pty Ltd.	Australia	14.9%

Non-Arms Length Parties

As of the date of this news release certain officers and directors of Karmin indirectly hold an interest in the share capital of Ignite. Specifically, Robert Ciccarelli, Larry Ciccarelli and John Iannozzi are the principal shareholders of Karr Securities Inc. Karr Securities Inc. owns approximately 36% of the issued and outstanding shares of Karmin and is the sole shareholder of Karr Capital Inc. Karr Capital Inc. owns approximately 6.49% of the issued and outstanding shares of Ignite. Robert Ciccarelli is a director of Karmin and the president of Karr Securities Inc. John Iannozzi is the chief financial officer and a director of Karmin and a vice-president of finance for Karr Securities Inc. Larry Ciccarelli is the vice-president of Karr Securities Inc. and brother of Robert Ciccarelli. Accordingly, the Acquisition may be a related party transaction for the purpose of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* of the Canadian Securities Administrators. However, a formal valuation will not be required because the securities of Karmin are not listed or quoted on an exchange or market specified in such instrument.

Selected Financial Information

The table below sets forth selected audited historical financial information for Ignite (presented using IFRS as adopted in Australia) for the years ended December 31, 2009, December 31, 2008 and December 31, 2007 and selected balance sheet data as at such periods. All dollar values are presented in Australian dollars.

	Unaudited Year Ended December 31, 2009	Audited Year Ended December 31, 2008	Audited Year Ended December 31, 2007
Revenue, net of royalties	\$1,278,249	\$31,195	\$7,798
Operating Expense	\$6,568,352	\$9,123,307	\$2,576,259
Net Income (Loss)	(\$5,290,103)	(\$9,092,112)	(\$2,568,461)
Total Assets	\$166,547,197	\$126,297,453	\$9,712,024
Total Liabilities	\$27,010,348	\$33,869,270	\$4,682,968
Cash Dividends Declared	-	-	-
Total Shareholders' Equity	\$139,536,849	\$92,428,182	\$5,029,055

About Karmin

The common shares of Karmin are listed on the TSXV and trade under the symbol “KAR”. The principal business of Karmin is to acquire and explore resource properties. Karmin’s main project is located at Aripuanã, Brazil. Karmin owns 30% of the Aripuanã zinc project, one of the largest undeveloped zinc projects in Brazil. Aripuanã covers a complete mineralized massive sulphide district, with five areas of mineralization (Arex, Ambrex, Babacu, Massaranduba and Mocoto) over a 25 kilometre strike length.

Following completion of the Acquisition, it is anticipated the combined company will continue the existing operations of both Karmin and Ignite.

Mr Rod Webster MAusIMM of AMC Consultants Pty Ltd and a Qualified Person as defined under NI 43-101, supervised the preparation of and verified the technical information contained in this release relating to EL4416.

For further information please contact:

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or

John Iannozzi

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Disclaimer

Completion of the Acquisition is subject to a number of conditions including TSXV acceptance and disinterested shareholder approval. The Acquisition cannot close until the required shareholder approval is obtained. There can be no assurance that the Acquisition will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular to be prepared in connection with the Acquisition, any information released or received with respect to the Acquisition may not be accurate or complete and should not be relied upon. Trading in the securities of Karmin should be considered highly speculatively.

The TSXV has in no way passed upon the merits of the Acquisition and has neither approved or disapproved the contents of this press release. The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

Forward-looking statements

This news release contains forward-looking statements relating to: the Acquisition; the Brokered Financing; the Cat-HTR technology and its commercial application; the application of Cat-HTR technology to lignite resources and the potential reserves arising therefrom; the estimated resources associated with Ignite’s properties; the exchange ratio for the Acquisition and related matters; and the receipt of all necessary regulatory approvals. Forward-looking statements include, but are not limited to, possible events and statements. The words “plans,” “expects,” “is expected,” “scheduled,” “estimates,” “forecasts,” “projects,” “intends,” “anticipates,” or “believes,” or variations of such words and phrases or

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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. These assumptions, risks and uncertainties include, among other things the risk: that the Acquisition will not be completed; that all necessary approvals and/or exemptions will not be obtained; that the Brokered Financing will not be completed; that the Acquisition and Brokered Financing is delayed; that the intended use of the net proceeds of the Brokered Financing may change; that the scaling and commercializing technology and large scale processing plants may be not be achievable; that the price of oil and coal and the costs and risks of exploration and development of lignite coal may fluctuate negatively.

The forward-looking statements contained in this news release are made as of the date of this news release. 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.