



**KARNALYTE RESOURCES INC. ANNOUNCES THIRD QUARTER 2015 RESULTS  
AND PROVIDES UPDATE TO SHAREHOLDERS**

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**CALGARY, AB (CNW–November 13, 2015)** - Karnalyte Resources Inc. ("Karnalyte" or the "Company") (TSX: KRN) today announced the filing of its financial results for the quarter ended September 30, 2015. Robin Phinney, Karnalyte's founder and President, provides an update to shareholders:

Dear Shareholders,

I am pleased to announce that during the third quarter of 2015 we have made significant progress on the Company's two key areas of focus: 1) securing financing to construct Phase 1 of Karnalyte's 625,000 tpy Potash production facility at Wynyard, Saskatchewan (the "Financing"), and 2) completing the first phase of the previously announced development program to optimize production from the underground caverns which will assist us in developing the full-scale production facility (the "Optimization Program").

Management remains actively engaged in negotiating the terms of the Financing which could be transformative for the Company. Karnalyte's strategic partner and AA+ rated company, Gujarat State Fertilizer Company ("GSFC"), is assisting Karnalyte in securing financing to complete Phase 1 of the Company's 625,000 tpy Potash production facility ("Phase 1"). Such project Financing may be available on significantly more attractive terms than offered by North American banks, specifically allowing the Company to secure substantial upfront debt without having to immediately raise equity, the flexibility to raise any required equity at a later date in the form of a subordinated shareholder loan, and a commitment by GSFC or its affiliates to backstop any required equity if needed.

In connection with the Financing, Karnalyte has appointed Mr. Julius Brinkman as the Company's Vice President of Capital Markets, with the mandate to secure full financing for the construction of Phase 1. Mr. Brinkman was instrumental in raising capital in each of the Company's prior rounds of financing and is a welcome addition to Karnalyte's management team.

Our engineering and construction teams have achieved all of the key milestones for the first phase of the Optimization Program on time and within budget. The Company has engaged ERCOSPLAN Ingenieurgesellschaft Geotechnik und Bergbau mbH to supervise the design and operation of the Program, the results of which are expected to improve project economics and further the progress of the detailed solution mine design. The design and construction of the mechanical equipment for the Phase 1 Cavern Preparation system is now complete. Design work on the cavern production equipment for Phase 2 is on schedule for completion during the winter of 2015/2016. Water injection for cavern preparation and development is currently scheduled to commence in the spring of 2016, with cavern production projected to follow immediately thereafter. Completion of the Optimization Program is expected sometime in the fall of 2016.

I invite all shareholders to visit the Company's website at [www.karnalyte.com](http://www.karnalyte.com) to view an updated photo gallery displaying some of the work done at the site to date, and Karnalyte's updated investor presentation.

*Robin Phinney*  
President



Karnalyte's Third Quarter 2015 Financial Statements and Management's Discussion and Analysis (MD&A) are available at [www.sedar.com](http://www.sedar.com).

### **About Karnalyte**

Karnalyte Resources Inc. is engaged in the business of exploration and development of high quality agricultural and industrial potash and magnesium products. Karnalyte intends to develop and extract a carnallite - sylvite mineral deposit through a known solution mining process at competitive costs and with minimal environmental impact. Using a staged approach to potash plant construction, the Company plans to operate a solution mining facility that will initially produce 625,000 tonnes of potash per year, increasing to 2.125 million tonnes of potash per year. Karnalyte owns a 100% interest in Subsurface Permit KP 360A and Subsurface Mineral Lease KLSA-010 located near Wynyard, Saskatchewan, comprising a total of 85,126 acres.

Karnalyte's common shares are traded on the Toronto Stock Exchange (TSX) under the symbol KRN.

### **Forward-Looking Statements**

This press release contains forward-looking statements. The forward-looking statements contained in this document are based on certain key expectations and assumptions made by Karnalyte, including with respect to the Corporation's future plans and operations and its ability to secure additional financing. Although Karnalyte believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Karnalyte can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the failure to obtain necessary regulatory approvals, failure to obtain necessary financing, risks associated with the mining industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), commodity price and exchange rate fluctuations. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect Karnalyte's operations and financial results are included in documents on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)). The forward-looking statements contained in this document are made as of the date hereof and Karnalyte undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

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