

CALGARY, AB--(Marketwired - June 04, 2015) - [Karnalyte Resources Inc.](#) ("Karnalyte" or the "Company") (TSX: KRN) today provides an update to shareholders in advance of Karnalyte's upcoming annual general meeting of shareholders to be held at the Delta Bessborough Hotel in Saskatoon at 10:00 am on June 23, 2015. Karnalyte's President, Robin Phinney, writes:

"I would like to personally thank Karnalyte's shareholders for their overwhelming support through the proxy contest over the past year. Your support for change in Karnalyte's board and management is a resounding vote of confidence in the value of the Wynyard Carnallite Project and the team to move the Company forward.

"Despite the one year delay, Karnalyte remains very well positioned to develop the Project. Potash prices are rebounding, and we have re-hired our engineering and technical teams to carry out the planned pilot program to optimize KCl concentration and confirm the design parameters in the Feasibility Study and Technical Report. We are well positioned to bring the Project to the next level, and most importantly, we have a Framework Agreement with KRN's largest shareholder, Gujarat State Fertilizers and Chemicals Ltd., to negotiate a major round of financing to fund the project which could be transformative for the Company.

"I strongly encourage shareholders to attend Karnalyte's AGM to meet your new Board of Directors, Management and Technical Teams."

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). 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.

Contact

For further information, please contact:

[Karnalyte Resources Inc.](#)

Robin Phinney, President

1 (403) 995-6560

info@karnalyte.com

www.karnalyte.com