

CALGARY, ALBERTA--(Marketwired - May 21, 2015) - [Karnalyte Resources Inc.](#) ("Karnalyte" or the "Corporation") (TSX:KRN) announced today that, in recognition of the number of shareholders who support the dissident group, and in order to avoid the time and expense of further litigation, its current directors (other than Mr. Vishvesh Nanavaty) have agreed to immediately resign and be replaced by five nominees of Robin Phinney and Gujarat State Fertilisers and Chemicals Ltd. ("GSFC"). In addition to himself, Mr. Phinney has nominated Mr. Henry Kerkhoven and Ms. Sokuen Sue Ng, while the nominees of GSFC are Mr. Sanjeev Varma and Mr. Mukund Purohit. In addition, Mr. Stephen Goodman and Mr. Tom Pressello will no longer serve as President and Chief Executive Officer and Chief Financial Officer, respectively, of Karnalyte. Robin Phinney has been appointed President and a CEO and a CFO are expected to be appointed by the new board shortly.

Mr. Phinney has also withdrawn his requisition and shareholder proposal, mutual releases have been exchanged, and all litigation and complaints to regulators are being withdrawn or discontinued. The shareholders' meeting scheduled for June 23, 2015 will go ahead, and a proxy circular is expected to be put out by the new management in the near future. Karnalyte thanks the departing directors and officers for their service.

#### 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. Although Karnalyte believes that the expectations and assumptions on which the forward-looking statements 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. 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, except as expressly required by applicable securities laws.

#### Contact

Investors:  
[Karnalyte Resources Inc.](#)  
Robin Phinney, President  
306-986-1482  
[info@karnalyte.com](mailto:info@karnalyte.com)  
[www.karnalyte.com](http://www.karnalyte.com)