

CALGARY, AB--(Marketwired - September 30, 2015) - [Karnalyte Resources Inc.](#) ("Karnalyte" or the "Company") (TSX: KRN) wishes to clarify certain statements made in a press release (the "Braich Press Release") issued this morning on behalf of Erwin Singh Braich ("Braich") regarding a non-binding proposal (the "Proposal") that was received by the Board of Directors of Karnalyte (the "Board") on September 21, 2015. The Proposal indicates that Braich is interested in making a significant investment in the Company by entities controlled by him, which, if completed, would result in Braich acquiring control of the Company.

Contrary to certain statements made in the Braich Press Release which suggest otherwise, no binding agreement has been entered into by Braich and Karnalyte with respect to such investment. The Proposal has not been accepted by the Board. In accordance with the Board's fiduciary duties, the Board is presently considering the Proposal along with all other strategic options available to the Board to secure financing for the furtherance of the Company's business plan, including the potential debt financing to be arranged by the Company's largest shareholder, Gujarat State Fertilizers and Chemicals Ltd., as referenced in the Company's news release issued on July 14, 2015. The Board has engaged Dundee Securities Ltd. as its financial advisor to consider the financial merits of the strategic alternatives available to the Company. The Company will disclose any material fact or material change relating to any financing by the Company in accordance with applicable securities laws as soon as such event occurs.

#### 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.

#### Contact

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