FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company

Karnalyte Resources Inc.
Unit 104, 26 Crystalridge Drive
Okotoks, Alberta, T1S 2C3

2. Date of Material Change: November 4, 2011.

3. News Release: November 4, 2011

4. Summary of Material Change

Karnalyte Resources Inc. ("Karnalyte" or the "Corporation") (TSX: KRN) announced that it has appointed Mr. Sean M. Durfy to serve as Director of the Corporation.

Management of the Corporation also expects to appoint an additional director by the end of November.

5. Full Description of Material Change

5.1 Full Description of Material Change

Please see the press release attached as Schedule "A" hereto.

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officer

Ronald Love
Vice- President Finance and Chief Financial Officer
Karnalyte Resources Inc.
Tel: (403) 995-6560

9. Date of Report

November 4, 2011.

SCHEDULE "A"

FOR IMMEDIATE RELEASE

KARNALYTE ANNOUNCES APPOINTMENT OF NEW DIRECTOR

Calgary, Alberta (November 4, 2011) - Karnalyte Resources Inc. ("Karnalyte" or the "Corporation") (TSX: KRN) today announced that it has appointed Mr. Sean M. Durfy to serve as Director of the Corporation.

"Mr. Durfy brings a substantial set of skills and experience to Karnalyte's Board. Mr. Durfy has a proven track record of commercializing both small and large businesses and has a very strong sales and marketing background," said Robin Phinney, President and CEO of Karnalyte. "We believe that Mr. Durfy will provide invaluable guidance as Karnalyte prepares to construct its potash mining facility and bring its high-quality potash product to market."

Mr. Durfy was the President, CEO and director of WestJet Airlines from 2006 through 2010, and Executive Vice President of Marketing, Sales and Airports for WestJet from 2004 through 2006. Prior to joining WestJet, Mr. Durfy was the President of ENMAX Energy Corporation from 2001 through 2004, and Vice President of Unregulated Business from 1999 through 2001. Mr. Durfy currently serves as a Board Member and Chair of Compensation and Governance Committee for Touchstone Exploration Inc. and a Board Member of Northland Power Inc. Mr. Durfy has a Bachelor of Commerce Degree in Finance and Marketing from Dalhousie University.

Management of the Corporation expects to appoint an additional director by the end of November.

About Karnalyte Resources Inc.

Karnalyte 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 approached to potash plant construction, the Corporation 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.

Reader Advisory

This press release contains forward-looking statements. More particularly, this press release contains statements concerning the appointment of an additional director. 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. 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, 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. 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.

For further information, please contact:

Robin Phinney, President & Chief Executive Officer
Ron Love, Chief Financial Officer & Vice-President Finance
Julius Brinkman, Vice-President Corporate Development
Telephone: (403) 995-6560
E-mail: info@karnalyte.com
Website: www.karnalyte.com