

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1 – Name and Address of Company

Karnalyte Resources Inc.

3150B Faithfull Avenue
Saskatoon, Saskatchewan
S7K 8H3

Item 2 – Dates of Material Changes

July 20, 2017

Item 3 – News Release

On July 20, 2017, a press release was issued from Saskatoon, Saskatchewan and disseminated through the facilities of recognized newswire services. A copy of the press release was filed on SEDAR.

Item 4 – Summary of Material Change

The Company's Board of Directors (the "Board") has appointed Mr. W. Todd Rowan as Interim Chief Executive Officer.

Item 5 – Full Description of Material Change

The Board has appointed Mr. W. Todd Rowan as Interim Chief Executive Officer, effective July 20, 2017. Mr. Rowan will also continue to serve as a member of the Company's Board.

The Board is currently undertaking a process to appoint a new permanent Chief Executive Officer of the Company and has engaged an executive search firm to assist in the process.

Item 6 –Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7 - Omitted Information

No information has been omitted on the basis that it is confidential.

Item 8 – Executive Officer

The executive officer of the Company who is knowledgeable about these matters and who the Commission may contact in respect of it is:

Danielle Favreau

Karnalyte Resources Inc.

3150B Faithfull Avenue
Saskatoon, Saskatchewan
S7K 8H3

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Email: danielle.favreau@karnalyte.com

Item 9 – Date of Report

July 31, 2017