KARNALYTE RESOURCES INC. ANNOUNCES APPOINTMENT OF NEW PRESIDENT

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SASKATOON, SK (CNW–February 5, 2018) – Karnalyte Resources Inc. ("**Karnalyte**" or the "**Company**") (TSX: KRN) is pleased to announce the appointment of Frank Wheatley as President of the Company, effective as of today. The Company intends for Mr. Wheatley to become the permanent Chief Executive Officer, replacing interim Chief Executive Officer W. Todd Rowan, upon the Company arranging successful financing for its Wynyard carnallite potash project located near Wynyard, Saskatchewan.

Karnalyte's interim CEO W. Todd Rowan commented "On behalf of the Board, I am pleased to welcome Frank to the Karnalyte team after completing an extensive global executive search process. The Board is looking forward to working together with Frank in realizing the Company's bright future by successfully developing the Company's projects and creating value for all shareholders.

Frank brings to Karnalyte more than 30 years of international business, financial and legal experience with Canadian public mining companies developing and operating precious, base and industrial metals mines in multiple international jurisdictions. He also brings extensive experience in strategic mergers and acquisitions, major project permitting and development, as well as debt and equity financing for large scale mining projects in the Canadian and US capital markets in accordance with all international best practice, environmental and corporate social responsibility standards.

ABOUT KARNALYTE RESOURCES INC.

Karnalyte is a Saskatchewan-headquartered company focused on exploration and development of potash and magnesium in Saskatchewan. The Company intends to develop and extract a carnallite-sylvinite mineral deposit through a solution mining process, at a competitive cost and with minimal environmental impact. Using a staged approach to potash and magnesium plant construction, the Company plans to operate the initial facility at Wynyard, Saskatchewan to produce 625,000 tonnes per year ("TPY") of potash ("Phase I"), increasing to 1,375,000 and 2,125,000 TPY of potash in subsequent phases of the project.

Karnalyte's Common Shares are traded on the TSX under the symbol KRN.

FORWARD-LOOKING STATEMENTS

Certain information included in this press release is forward-looking, within the meaning of applicable Canadian securities laws. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "believe", "could", "estimate", "expect", "plan", "intend", "forecast", "future", "guidance", "may", "predict", "project", "should", "strategy", "target", "will" or similar words or phrases suggesting future outcomes or language suggesting an outlook.

The forward-looking statements contained in this press release are based on certain key expectations and assumptions made by Karnalyte, including, without limitation, assumptions as to: projected economics for the Company's planned potash production facility; the ability of Karnalyte to obtain financing on terms favourable to the Company; and the ability of Karnalyte to receive, in a timely manner, the necessary approvals from the board of directors, shareholders, regulatory authorities, and other third parties.

Karnalyte believes the expectations and assumptions upon which the forward-looking information is based are reasonable. However, no assurance can be given that these assumptions and expectations will prove to be correct. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this press release.

Actual results may vary from the forward-looking information presented in this press release, and such variations could be material. Risk factors and uncertainties could cause actual results to vary from the forward-looking information in this press release. Additional information on forward-looking statements 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 Company's profile on the SEDAR website (www.sedar.com).

These forward-looking statements are made as of the date hereof and are expressly qualified in their entirety by this cautionary statement. Subject to applicable securities laws, the Corporation assumes no obligation to update or revise them to reflect new events or circumstances.

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For further information, please contact:

Karnalyte Resources Inc.
1(306) 986-1486
info@karnalyte.com
www.karnalyte.com