KARNALYTE RESOURCES INC. ANNOUNCES BOARD CHANGES

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SASKATOON, SK (CNW- May 11, 2026) – Karnalyte Resources Inc. ("**Karnalyte**" or the "**Company**") (TSX: KRN) today announced changes to its Board of Directors.

The Company has accepted the resignation of Mr. Sanjeev Varma as a director and Chair of the Board of Karnalyte. Mr. Varma also resigned from his role as Executive Director at Gujarat State Fertilizers & Chemicals Limited ("GSFC"), Karnalyte's major shareholder and strategic partner. Mr. Varma has accepted a position as Managing Director at Indian Potash Limited.

The Company thanks Mr. Varma for his valuable service and contributions to the Karnalyte Board and wishes him continued success in his new role.

GSFC has nominated Dr. Pujan Vaishnav currently serving as Vice President, Research and Development at GSFC, to the Karnalyte Board. Dr. Vaishnav has more than 25 years of experience in the chemical sector and has held a variety of strategic positions within GSFC, including roles in quality, manufacturing technology and operations. He also holds a Six Sigma Green Belt certification in process technology.

The Company welcomes Dr. Vaishnav and looks forward to benefiting from his expertise as Karnalyte continues development of the Wynyard Project.

In addition, the Board of Directors has unanimously approved the appointment of Mr. Dilip Pathakjee as Chair of the Board.

ABOUT KARNALYTE RESOURCES INC.
Karnalyte Resources Inc. is a development stage potash company. Karnalyte owns the Wynyard Project, with planned Phase 1 production of 675,000 t/a of high grade granular potash, and two subsequent phases of 750,000 t/a each, taking total production up to 2.175 million t/a. All environmental permits remain valid, preliminary detailed engineering is complete, and the existing Offtake Agreement with GSFC remains in effect. Karnalyte is also considering opportunities relating to secondary magnesium compounds. Further development is dependent on the continued strength of potash prices and obtaining financing.

ABOUT GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED
GSFC is a leading Indian Fortune 500 chemicals and fertilizer company that has been in business for more than 60 years. GSFC currently operates one ammonia plant that was commissioned in the year 2000, and two urea plants that were established in 1969, at its fertilizer production complex in Vadodara, Gujarat State, India. GSFC is the Company's strategic partner and single largest shareholder.

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FORWARD-LOOKING STATEMENTS

Certain statements in this press release constitute "forward-looking information" or "forward-looking statements" (collectively, "**forward-looking statements**") within the meaning of applicable Canadian securities legislation. Forward-looking statements relate to future events or future performance and reflect the Company's current expectations, beliefs, and assumptions regarding future events. Forward-looking statements are often, but not always, identified by the use of words or phrases such as "accelerate", "advance", "anticipate", "believe", "budget", "continue", "could", "estimate", "expect", "forecast", "future", "guidance", "intend", "may", "objective", "ongoing", "outlook", "plan", "potential", "predict", "project", "pursue", "schedule", "seek", "should", "strategy", "target", "will", "would", or similar words or phrases suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance.

Forward-looking statements in this press release include, but are not limited to, statements with respect to: the anticipated development, construction, and operation of the Wynyard Potash Project; the results of the Technical Report, including projected mine life, production capacity, capital and operating costs, net present value, internal rate of return, and other economic metrics; estimated Mineral Resources and Mineral Reserves; planned production of potash and hydromagnesite; the Company's ability to obtain financing for the development of the Wynyard Potash Project; the Company's expectations regarding the potash and hydromagnesite markets, including demand, pricing, and competition; the Company's ability to obtain and maintain required permits, licences, and approvals; the Company's relationship with GSFC and the performance of the Offtake Agreement; the review of the Company's development strategy, including the assessment of magnesium chloride co-production; the status and potential resumption of the Proteos Nitrogen Project; the Company's expectations regarding its business strategy, plans, and objectives; expectations regarding the Company's ability to continue as a going concern; and expectations regarding future general and administrative expenses, cash flows, and working capital requirements.

Forward-looking statements are based on a number of material factors and assumptions which management believes to be reasonable at the time, including but not limited to:

- potash and hydromagnesite prices will be consistent with the assumptions set out in the Technical Report;
- the Company obtains the additional financing required to develop the Wynyard Potash Project;
- the Company executes its project development plans in a manner consistent with the Technical Report, including estimated total initial capital expenditures of approximately $4.19 billion;
- estimates of Mineral Resources and Mineral Reserves as set out in the Technical Report are accurate;
- the three-phase production ramp-up from 675,000 TPY to 1,425,000 TPY to 2,175,000 TPY of potash is achieved in accordance with the projected timeline;
- the hydromagnesite market can absorb annual production of 104,000 TPY without material adverse impact on pricing;
- the Company continues to hold title to the Karnalyte Property and such title is not challenged or impacted in any material manner;

- the Company is able to obtain and maintain required approvals, licences, and permits, including any extensions to the Environmental Impact Statement, in a timely manner;
- the GSFC Offtake Agreement remains in effect and is performed as anticipated;
- the Company's key senior management continue in their respective roles;
- if the Company resumes the Proteos Nitrogen Project, the Company is able to successfully develop and market nitrogen fertilizer products;
- the Company is able to successfully develop and market magnesium products;
- environmental and other applicable laws and regulations are not amended, repealed, or applied in a manner that materially impacts the development and operation of the Wynyard Potash Project;
- the future mining and processing facilities operate as anticipated in the Technical Report; and
- the Company is able to develop and maintain the infrastructure required to produce, store, and transport its products.

Forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause actual results, performance, or achievements to be materially different from those expressed or implied by such statements. Such risks and uncertainties include, but are not limited to, those discussed under the heading "Financial Risk Factors" in this press release and those set out under the heading "Risk Factors" in the Company's Annual Information Form for the year ended December 31, 2025, including: exploration, development and operation risks related to the Wynyard Potash Project; the ability to secure adequate financing; the uncertainty regarding the estimation of Mineral Resources and Mineral Reserves; the lack of current revenues; the unproven nature of solution mining of carnallite in Saskatchewan; permit and licensing requirements; the Company's ability to satisfy its material agreements, including the Offtake Agreement; the potential loss of key employees or technical experts; the potential for dilution of shareholders through future financings; the risks associated with the hydromagnesite process design and market development; environmental and regulatory risks; the volatility of potash and magnesium prices; competition; and currency exchange rate fluctuations.

Such forward-looking statements are based on a number of material factors and assumptions, including: the stabilization of the global potash industry and market; the Company obtains additional financing in the future; the Company executes its project development plans in a manner consistent with the Technical Report; the Company executes its discounted cash flow model assumptions as described in the Technical Report; estimates of mineral resources and mineral reserves in the Technical Report are accurate; full potash production is reached; that the Company continues to have rights to the property subject to subsurface mineral leases KL 246, KL 247A and KLSA 010, and such rights are not challenged or impacted in any material manner; that the Company is able to obtain required approvals, licences and permits, in a timely manner; the Company is able to successfully develop and market magnesium products; the Company’s key senior management continue in their respective roles with the Company; the Company’s intellectual property is not challenged; the Company does not become subject to litigation; the Company’s ability to meet its obligations under the Offtake Agreement; environmental and other applicable law and other regulations are not amended, repealed or applied in a manner that impacts the development and operation of the Wynyard Project as currently anticipated; there are no adverse changes to the price of potash or magnesium that would adversely affect the prospects for developing and operating the Wynyard Project, or making it inadvisable or uneconomic to proceed with development; the future mining operations operate as anticipated; the Company’s ability to maintain and develop positive relationships with foreign governments and future business partners; the Company is able to develop and maintain the infrastructure required to export, store and transport its potash or magnesium production; there are no comparable mining companies targeting carnallite in North America; and the continued existence and operation of the primary potash production facility.

Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed under “Financial Risk Factors” elsewhere in this press release and the risk factors discussed under the “Risk Factors” section of the Annual Information Form.

Although the forward-looking statements contained in this press release are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this press release and are expressly qualified in their entirety by this cautionary statement. Subject to applicable securities laws, the Company assumes no obligation to update or revise them to reflect new events or circumstances.

Further information about the factors affecting forward-looking statements is available in Karnalyte’s Annual Information Form and the audited annual financial statements for the year ended December 31, 2025, which have been filed with Canadian provincial securities commissions and are available on SEDAR+ at www.sedarplus.ca.