

KARNALYTE RESOURCES INC.

Environment, Health and Safety Committee Charter

PART I

ESTABLISHMENT OF THE COMMITTEE

The Committee

The Environment, Health and Safety Committee is established by the Board of Directors to assist the Board in fulfilling its oversight responsibilities to ensure that the Corporation's activities are conducted in an environmentally responsible manner and that the Corporation maintains the integrity of its health and safety policies.

Composition of the Committee

The Committee shall consist of as many members as the Board shall determine, but not fewer than three Directors, provided that each member of the Committee shall be determined by the Board to be independent pursuant to the Corporation's Corporate Governance Guidelines.

Appointment of Committee Members

The members of the Committee shall be appointed by the Board upon the recommendation of the Compensation and Corporate Governance Committee. The members shall be appointed annually at the time of each annual meeting of the shareholders, and shall hold office until the next annual meeting, or until they are removed by the Board, or until their successors are earlier appointed, or until they cease to be Directors of the Corporation.

PART II

COMMITTEE PROCEDURES

Vacancies

Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board upon recommendation of the Compensation and Corporate Governance Committee, and shall be filled by the Board if the membership of the Committee is fewer than three Directors. The Board may elect to remove and replace any member of the Committee at any time.

Committee Chair

The Board, upon recommendation of the Compensation and Corporate Governance Committee, shall appoint a Chair for the Committee. The Chair may be removed and replaced by the Board at any time.

Absence of the Chair

If the Chair is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee to preside at the meeting.

Secretary of the Committee

The Committee shall appoint a Secretary who need not be a Director of the Corporation.

Regular Meetings

The Chair, in consultation with the Committee members, shall determine the schedule and frequency of the Committee meetings, provided that the Committee shall meet at least four times per year. The Committee at any time may, and at each regularly scheduled meeting shall, meet without management present; and at least annually shall meet separately with the Corporation's designated EH&S leaders. Any member of the Committee may move the Committee in camera at any time during the course of a meeting, and a record of any decisions made in camera shall be maintained by the Committee Chair.

Special Meetings

The Chair, any two members of the Committee, the Chief Executive Officer or the Corporation's designated EH&S Leaders may call a special meeting of the Committee.

Quorum

Three members of the Committee, present in person or by telephone or other telecommunications device appropriate to the purpose, shall constitute a quorum.

Notice of Meetings

Notice of the time and place of every meeting shall be given in writing or by email communication to each member of the Committee at least 24 hours prior to the time fixed for such meeting; provided, however, that a member may in any manner waive a notice of a meeting and attendance of a member at a meeting is a waiver of notice of the meeting, except where a member attend a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called.

Agenda

The Chair shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and management. The agenda and information concerning the business to be conducted at each Committee meeting shall, to the extent practical, be communicated to the members of the Committee sufficiently in advance of each meeting to permit meaningful review.

Delegation

The Committee shall have the power to delegate its authority and duties to subcommittees or individual members of the Committee as it considers appropriate.

Access

In discharging its responsibilities, the Committee shall have full access to all books, records, facilities and personnel of the Corporation.

Attendance of Officers at Meetings

At the invitation of the Chair, one or more officers or employees of the Corporation may, and if required by the Committee shall, attend a meeting of the Committee.

Procedure, Records and Reporting

The Committee shall fix its own procedure at meetings, keep records of its proceedings and report to the Board when the Committee may deem appropriate (but not later than the next meeting of the Board).rev

Outside Consultants or Advisors

The Committee, when it considers it necessary or advisable, may retain, at the Corporation's expense, outside consultants or advisors to assist or advise the Committee independently on any matter within its mandate. The Committee shall have the sole authority to retain and terminate any such consultants or advisors, including sole authority to approve the fees and other retention terms for such persons.

PART III

MANDATE OF THE COMMITTEE

Annual Review of Environmental, Health and Safety Matters

The Committee shall advise and make recommendations to the Board as appropriate on matters relating to environmental, health and safety and shall at least annually:

1. review the Corporation's Environment, Health and Safety Policies and if appropriate, make recommendations regarding the Policy to the Board
2. review compliance by the Corporation with legal and regulatory requirements relating to environmental, health and safety matters
3. review the strategies and methods used to improve the environmental, health and safety performance of the Corporation
4. review the risk (including insurable risks) related to environmental, health and safety issues and evaluate the cost/insurance benefits associated with those risks
5. review the Audit Plan for the upcoming year for EH&S Audits, including both Compliance Audits and Systems Audits as well as any audits required by law
6. review the status of remediation projects, significant new developments and the environmental provisions thereof
7. review the methods of communicating the Corporation's environmental, health and safety policies and procedures throughout the Corporation.

Annual Site Visit

It shall be the policy of the Committee to visit at least one of the Corporation's facilities at least annually.

Quarterly Review of Environmental, Health and Safety Matters

The Committee shall receive and review Quarterly Performance Reports from the Corporation's designated EH&S Leaders.

Non-exhaustive List

The foregoing list of duties is not exhaustive and the Committee may, in addition, perform such other functions as may become necessary or appropriate for the performance of its mandate.

Oversight Function

While the Committee has the responsibilities set forth in this Charter, the members of the Committee are members of the Board appointed to provide broad oversight of the Corporation's activities and affairs relating to environmental, health and safety matters and are specifically not accountable for the day-to-day activities, nor for the administration or implementation of arrangements relating thereto.