



## KARNALYTE RESOURCES INC. ANNOUNCES FIRST QUARTER 2017 RESULTS

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**SASKATOON, SK (CNW–MAY 3, 2017)** - Karnalyte Resources Inc. ("**Karnalyte**" or the "**Company**") (TSX: KRN) today announced the filing of unaudited interim financial statements and Management's Discussion and Analysis for the three months ended March 31, 2017 (the "**First Quarter**").

The financial results of the First Quarter are as follows:

- A decrease in general and administrative expenses of \$1.2 million from Q1 2016 to Q1 2017.
- A decrease in cash of \$1.7 million from Q4 2016 to Q1 2017; and
- A decrease in current liabilities of \$1.5 million from Q4 2016 to Q1 2017.

As at March 31, 2017, the Company had net working capital of \$15.5 million compared to \$24.1 million at March 31, 2016, including \$15.1 million and \$25.6 million respectively, in cash. Karnalyte's First Quarter 2017 Financial Statements and Management's Discussion and Analysis are available at [www.sedar.com](http://www.sedar.com).

Karnalyte also announced that the Company's Corporate Counsel and Executive Vice President Mr. Quentin Plester has left the Company on March 31, 2017 to pursue other business opportunities. Karnalyte thanks Mr. Plester for his contributions to the Company and wishes him all the best in his future endeavours.

### **About Karnalyte Resources Inc.**

Karnalyte is engaged in the business of exploration and development of high quality 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 approach to construction, the Company plans to operate a solution mining facility that will initially produce 625,000 tpy, increasing to 2.125 million tpy of potash.

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 Company's 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](http://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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