

KARNALYTE RESOURCES INC.

MAJORITY VOTING POLICY

In the event that a nominee for director receives a greater number of votes "withheld" than votes "for" his or her election as a director, the Board shall consider the circumstances of such vote, the particular attributes of the director nominee including his or her knowledge, experience and contribution at Board meetings and make whatever determination the Board deems appropriate, including without limitation, requesting such director to resign at an appropriate time, and shall advise Shareholders of the Board's decision in that regard and issue a press release announcing the votes received for the election of each director and the Board's determination. This policy applies only to uncontested elections, meaning elections where the number of nominees for directors is equal to the number of directors to be elected. The Board may fill any vacancy created by any such resignation or determine to leave the resulting vacancy unfilled.